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THE WEATHER — PARIS: Friday, fair. Temp. 72-78 (53-77). Saturday, similar. LONDON: Friday, cloudy, scattered showers. Temp. 64-68 (18-20). Saturday, variable. CHANDEL: Sunday, fair. Temp. 64-68 (18-20). NEW YORK: Friday, fair. Temp. 72-78 (53-77). NEW YORK: Friday, fair. Temp. 72-78 (53-77).

ADDITIONAL WEATHER — COMICS PAGE

Established 1887

Cautious on 'Tube' Births

'End of Beginning,' 2 U.K. Doctors Say

LONDON, July 27 (AP) — Britain's two pioneer test-tube-baby doctors are cautioning infertile women not to raise their hopes too high yet, and they are advising foreign doctors seeking their treatment that they and Britain can not take care of them.

Infertile women anxious to have babies jammed telephone lines to the hospital, but Dr. Patrick Steptoe, a gynecologist, and his assistant, Dr. Robert Edwards, a Cambridge University physiologist, said that it will be years before the procedure of conception outside the womb becomes common.

The birth of 5-pound, 12-ounce Louise Brown, the first authenticated case of a baby born after conception outside the womb, was "the end of the beginning," Dr. Edwards told a news conference. "We wish to be very modest about what we have done. We have a lot to learn."

"It is obvious this is not immediately available to everybody," said Dr. Steptoe. The birth of the baby Tuesday to 30-year-old Lesley Brown culminated 12 years of research and experimentation by the two doctors.

Dr. Steptoe said the facilities that he and Dr. Edwards have been using are inadequate and are no longer available, that they are looking for new quarters and financing to continue their research, and that Britain has no facilities for would-be mothers from abroad.

But he added, "There are a number of teams already starting this work. We think that within a fairly reasonable time, given the proper facilities, this could become applicable all over the world."

The London Daily Express reported that doctors at London's St. Thomas's Hospital also are experimenting with test-tube fertilization and that a woman underwent an egg-extraction operation there yesterday.

Mrs. Brown consulted Dr. Steptoe and Dr. Edwards two years ago to see if a blockage in her fallopian tubes that prevented conception could not be corrected. The doctors took an egg from one of her ovaries, fertilized it with her husband's sperm in a laboratory dish and implanted the dividing cell into her uterus, where it developed normally. Mother and daughter are reported in fine condition.

A basic problem is when to implant the fertilized egg in the patient's womb. Dr. Edwards and Dr. Steptoe disclosed that, after Mrs. Brown's egg had been fertilized, it was kept in an incubator for 2½-3 days before implantation.

An estimated 40 percent of infertile women have the same problem as Mrs. Brown. Religious reaction was divided but muted so far.

The Vatican's spokesman, the Rev. Pierfrancesco Pasore, said the Roman Catholic Church considers artificial insemination illicit because "fecundation must be carried out according to nature and through reciprocal and responsible love between a man and a woman."

Experts on Jewish and Moslem law said they considered fertilization outside the womb legitimate as long as the father and mother are married.

Giles Ecclesstone, secretary of the (Continued on Page 2, Col. 8)

Risks of test-tube babies stressed in U.S., Page 2 — Doctor, in New York suit, claims he carried out a test-tube fertilization 16 years ago, Page 3

After Egypt Expels Military Mission

Atherton Holds Mediation Session With Israelis

TEL AVIV, July 27 (AP) — Israel's only direct negotiating link with Egypt was severed today while a U.S. mediator moved to get the two countries talking again about a Mideast peace settlement.

An Israeli military delegation, in

Egypt since January, was ordered from the country by President Anwar Sadat and flown here in an Egyptian plane.

This is not the end, only the beginning of a process, "delegation commander Col. Yaacov Heychal

told reporters after arriving at Ben Gurion airport.

The group, which stayed in Egypt after peace talks broke down in January, was said to have occasionally transmitted peace feelers.

In Washington, a spokesman for

the State Department said: "We would have preferred that this step not be taken because of the interpretation that may be placed on it."

But the spokesman, Thomas Roston, declined to interpret the Egyptian action.

"I don't believe it is going to be useful for me to characterize each development," he said, adding that he still expected Israeli-Egyptian negotiations to be held next month.

Atherton Shuttle

Despite the expulsion, Alfred Atherton Jr., the U.S. mediator, pressed ahead with his Mideast shuttle by scheduling a meeting with Israeli Prime Minister Menachem Begin and Foreign Minister Moshe Dayan.

Mr. Atherton was to travel to Egypt tomorrow for more meetings, which Washington hopes will lead to a resumption of direct Israeli-Egypt talks in about two weeks, when U.S. Secretary of State Cyrus Vance will arrive in the Middle East.

The U.S. aim is to get the foreign and defense ministers of Israel and Egypt together with Mr. Vance as chairman, probably at the U.S. surveillance station in the Sinai Peninsula.

Mr. Begin dismissed the expulsion of the delegation as a minor matter. "They don't have a central role," he said.

Egyptian Impatience Seen

But observers here and in Egypt saw it as a signal of Egyptian impatience for a change in Israel's negotiating position.

The conservative newspaper Ma'ariv said that the move was a sample of Mr. Sadat's "theatrical diplomacy."

The rightist newspaper Yedioth Aharonoth said in an editorial that Israel should have withdrawn the (Continued on Page 2, Col. 2)

Security Council Backs Namibian Independence

UNITED NATIONS, July 27 (Reuters) — The Security Council today endorsed Western proposals for the independence of Namibia (South-West Africa) and asked Secretary General Kurt Waldheim to prepare for UN-supervised elections there.

The independence resolution passed by 13 votes to none, with the Soviet Union and Czechoslovakia abstaining.

The council also unanimously adopted a resolution declaring that Walvis Bay, the deep-water port which South Africa has said it intends to keep, is part of Namibia and the enclave should be "re-integrated" into the territory.

Mr. Waldheim announced that Martti Ahtisaari of Finland would (Continued on Page 2, Col. 4)

U.S. Trustees Blamed for Overindulging the Micronesians

By William Chapman

KOROR, Palau, July 27 (WP) — In a businessman's office in this lovely corner of Micronesia, there is a polished slab of mahogany into which is carved the following message:

"If you give a man a fish, you feed him for a day.
If you teach a man to fish, you feed him for life."

Roman Tmetuchl, a businessman and politician, explained its meaning. "What the United States has been doing," he said, "is giving us a fish a day."

It is his way of summing up the almost universal judgment that 31 years of U.S. trusteeship in Micronesia has created a society dependent on government jobs and benefits, an island welfare state whose people are so unduly with handouts that they are abandoning even those elementary enterprises — fishing and farming — that they had developed before the Americans came.

"We've smothered them," said a veteran U.S. administrator with the trust territory government, "and it will take them a long time to come out from under this blanket."

[According to unofficial returns yesterday, Micronesian voters are in favor of becoming an independent republic early in the 1980s. United Press International reported.]

Little Good

"It is awfully hard to see anything good that the United States has done in Micronesia," added another American who has spent years here.

More than 10,000 Micronesians — a third of the labor force — have government jobs, most of them with the territorial government that oversees 3 million square miles of water and islands. The work is easy, the wages excellent by island standards, and the bosses undemanding.

"They're really not required to do anything," said Mr. Tmetuchl. "They know they'll get their paychecks, no matter what. No one takes attendance to see if they show up. They're not accountable for any mistakes."

An American agreed, "Government jobs in Micronesia are looked upon as welfare," he said.

For those who do not want to work, there is the food dole sponsored by the U.S. Department of Agriculture. Food stamps are coming soon for one island group, the Marianas. It is estimated that 95 percent of the population eventually will be eligible for free or subsidized food, because nearly every Micronesian family falls well below the U.S. income standards that are applied here.

Fishing, Farming Abandoned With Free Food, Welfare Aid

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Farming, Fishing Hurt

The effect on native agriculture and fishing has been devastating. Lettuce and tomatoes once grew here, but now the tourists fly them in from San Francisco. A thriving sugar-cane industry developed under Japanese rule has been abandoned, and coffee is now served with artificial sweeteners packaged in Brooklyn.

At first, the United States promoted agriculture on such islands as Tinian and Rota in the Marianas, said Neiman Craley, the territorial government administrator for administrative services.

"But now there are between 7,000 and 8,000 people in the Marianas eligible for USDA food and the farmers have quit farming. There's no one they could sell their food to. The people would just say, 'Why should I buy food from you when I'm already getting it free?'"

In 1967, 33 million pounds of fruit and vegetables were produced in Micronesia. When free food came, the market collapsed. In 1975, the production was down to 1.1 million pounds. The fishing catch is also far less than it was in the late 1960s.

"Any kind of work here is very hard work," said Elizabeth Udoi, an economist with the trust government. "And now you can live here without working."

The U.S. administration is universally blamed for the development of the islanders' dependency, even by the current administrators. The only argument is over whether the United States

Castro Denounces Carter On Rights, Troop Stands

Cuba Role Is Disputed In Belgrade

By David Andelman

BELGRADE, July 27 (NYT) — A large group of nonaligned nations, which delegates said could amount to more than one-third of the world movement, publicly or privately today demanded Cuban disengagement in Africa, threatening to boycott next year's summit meeting in Havana.

The effect could be to split the movement whose foreign ministers are meeting this week in Belgrade. A number of key delegations, particularly the Yugoslavs, reportedly worked frantically behind the scenes today and into the night to defuse the situation.

But on the floor of the modern Sava conference center and in press conferences throughout the day, delegates lined up firmly on one side or the other of this most volatile issue facing the conference.

Many warned of dire consequences of "local conflicts being converted into proxy wars," as Singapore's Foreign Minister S. Rajaratnam said.

"It is my considered opinion that the third world war has already begun — in the Third World," Mr. Rajaratnam said, setting the tone for the day's public statements.

But there were other, equally bitter exchanges over the past two days of the conference, which has



Fidel Castro, who spoke in Santiago de Cuba.

brought together nearly 90 member countries and two dozen observer states and official guests.

Ghana, Morocco, Somalia, Senegal and most of the Middle Eastern countries except Libya and Algeria accused Cuba of open aggression in Africa and demanded withdrawal of the more than 40,000 troops that

Cuba has in two principal African countries — Angola and Ethiopia — and the military aid missions in others, Kuwait, for its part, accused Ethiopia of "genocide" in Eritrea.

In turn, Tanzania, Afghanistan, Angola, Congo, Benin and Vietnam seemed isolated as the only principle (Continued on Page 2, Col. 4)

Bonn Outlines Economic Stimulus Plan

BONN, July 27 (AP-DJ) — The West German government today outlined the measures that it is planning to stimulate its economy which were agreed to at the summit meeting here last week. But the plans seem to be aimed more at resolving political problems rather than reviving the economy.

Although the Cabinet continued today to elaborate details of its plans, the centerpiece was clear — tax cuts totaling 14 billion marks (about \$7 billion) over two years.

The accent on tax cuts highlights the power wielded in the negotiations by the minority party in Chancellor Helmut Schmidt's coalition government — the Free Democrats.

The ailing FDP badly needed the political boost from tax cuts ahead of fall elections. Mr. Schmidt's Social Democrats had pushed hard for programs designed to "restructure the economy" by increasing aid to technological innovation.

The ultimate evaluation of the measures rests on how the program will be financed, economists say, and that will be announced tomorrow. But some economists are already saying that the program's effect on growth next year will be minimal.

Family Benefits

The steps as outlined by government spokesman Klaus Boelling include 7 billion marks in tax cuts, a rise of 2.5-to-3-billion marks in family benefits and 750 million marks in spending to boost technological and development spending. This amounts to between 10.25 and 10.75 billion marks.

At the Bonn economic summit 10 days ago, West Germany agreed to seek legislative approval for additional measures of stimulus of up to 1 percent of the gross national product — placing an upper limit on the plans of about 13 billion marks.

In addition, the 1979 budget will be boosted by 6.9 percent to 201.7 billion marks against a 6-percent increase previously planned. For 1980, the plan calls for another tax cut of 7 billion marks. Also to be initiated, Mr. Boelling said, are studies on altering the country's tax structure.

While not revealing how it will be paid for, Mr. Boelling said that agreement has been reached that the government deficit will not exceed 60 billion marks. He also said that the 1978 deficit will not be as high as had been previously thought — a \$4.6-billion mark estimate was included in the budget.

Dealers Laid

Despite his attempts to ease fears about financing in the domestic market, dealers were livid and prices, already under pressure this week from government financing, tumbled again. As a result of this continuing weakness, manifest since the summit meeting, the central capital market committee has decided to schedule no new issues for the domestic market for the time being.

Managers 'Atrocious'

The great change began in the early 1960s when the United Nations sharply criticized the lack of development and low living standards. The Kennedy administration poured in funds for education, health and welfare. Since then, annual appropriations for Micronesia have risen from about \$5 million to about \$100 million, and \$30 million more is given yearly to the inhabitants in categorical programs such as food, special education and direct welfare.

The management of these programs is called atrocious by one U.S. administrator who tries to

oversee them. "We tend to grab at those [federal] programs that are available and then use the money for something else until we get caught," he said.

One of the few defenders of the U.S. actions is Adrian Winkel, high commissioner for the territory. He listed the many material benefits given to Micronesia by the United States since the Japanese were expelled during World War II, such as hospitals, health services, schools and food.

Micronesians have steadily moved into higher administrative positions and the desire for local representative government and self-determination has been deeply implanted, he said.

"I get mad hearing the stories about nothing being done here," Mr. Winkel said. "We can't just neglect them. None of this [federal aid] is given unless the local people ask for it. . . . For the first 15 years, the U.S. rule out here was only custodial and we were criticized for operating on the 'zoo theory.' Now we are criticized for making them dependent on us by giving them water and sewer systems. Dependency? What's the alternative?"

The charges by involve Citibank's trading of foreign currencies abroad. In court papers, Mr. Edwards said his information "revealed that Citibank branches in European cities such as Paris, Milan, Amsterdam, London, Frankfurt and Zurich developed exchange and money-market transactions with Citibank's branch in Nassau" where there are no taxes.

"Understanding Earnings"

"Through movement of currency labeled as either a sale or purchase, placement or deposit," he said, "the European branch would appear to have incurred a loss, thereby understating its earnings appearing on tax returns filed by the particular branch in the country where it conducted its business."

The transactions, the suit charged, resulted in a profit at the bank's Nassau tax haven. The profit was then eliminated internally, and the European branch was "credited on Citibank's second set of books with its actual earnings from the business conducted in the European country," the suit charged.

In one example in the suit, Mr. Edwards charged that on June 11, 1976, Citibank's Paris office teleaxed New York instructing the Nassau branch to buy from it \$6 million in French francs at a rate of 4.7275 francs to the dollar. The (Continued on Page 7, Col. 1)

U.S. Forces In Europe, Asia Cited

MIAMI, July 27 (UPI) — Cuban President Fidel Castro lashed out last night at President Carter's policy on human rights and at the U.S. demand that Cuba pull its troops out of Africa.

Mr. Castro, in a two-hour speech before delegates to a world Communist youth conference, also attacked China for what he called that nation's "crazy adventure of the cultural revolution."

The speech was broadcast over the Havana radio and monitored in Miami.

"With what morality can the [U.S.] leaders talk of human rights in a country where there are still millionaires and beggars, where blacks face discrimination, women are prostituted, and great masses of Chicanos, Puerto Ricans and Latin Americans are exploited, exploited and humiliated?" Mr. Castro asked.

He said Cuba will remain an example of a revolution that "does not sell out and can not be conquered."

U.S. Soldiers

He said the United States has hundreds of thousands of soldiers in Western Europe, the Middle East and Asia, and he said that U.S. soldiers are in Panama and in the naval base at Guantanamo, Cuba, against the will of the people.

"Our military forces found in Africa and other places have been requested by absolutely sovereign governments," Mr. Castro said, "but the United States has thousands of Marines in Cuban territory against the will of our nation."

Referring to China, Mr. Castro said world socialism has suffered a severe blow from what he called the "brutal attacks" of the Chinese "traitors."

"Ever since the People's Republic of China converted a ridiculous mortal into a god it destroyed the [Communist] party and its best features in the days of the crazy adventure of the cultural revolution," Mr. Castro said.

China Accused

He accused China of backing the Cambodian forces now fighting against Vietnam, and he said Vietnam is a victim of Chinese exploitation.

For his speech, Mr. Castro returned to the site of his first armed struggle to celebrate a quarter-century.

SEC Probing Citibank On Currency Exchanges

NEW YORK, July 27 (AP-DJ) — The Securities and Exchange Commission has started investigating Citibank in view of allegations that the bank evaded European taxes and violated foreign-exchange laws in certain countries.

The accusations came in a suit filed here by David Edwards, a dismissed officer in the bank's international operations (IHT July 26).

A high government official confirmed yesterday that the SEC is investigating whether the parent Citicorp may have violated U.S. securities laws as a result of the bank's alleged activities. It is known that the Controller of the Currency, who oversees nationally chartered banks, is cooperating with the SEC study.

Citibank denied any wrongdoing in its activities abroad. "We believe, of course," a spokesman said, "that we were in accord with applicable laws." He said that the purpose of a current study by its outside attorneys and auditors, ordered by the board of directors, "is to confirm this."

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Spain Seeking Terrorist Bill

MA, P.D., July 27 (Reuters) — Spain's lower house of Parliament today approved an anti-terrorism bill that will give the police power to tap telephones, open mail and hold suspects longer than 72 hours.

The measure, which still must be approved by the Senate before it becomes law, will replace an emergency anti-terrorism decree promulgated by the government late last month.

Answering criticism that the bill amounts to the declaration of a state of emergency in the Basque country, Interior Minister Rodolfo Martin Villa said that it was a legal measure similar to those adopted in several West European countries in their fight against terrorism.

U.K. Cites Terrorist Threats

Britain, Iraq Expel Diplomats

From Wire Dispatches
LONDON, July 27 (UPI) — Britain and Iraq have reciprocally expelled diplomats amid British claims of terrorist threats following the assassination in London of a former Iraqi premier.

Britain yesterday announced that it has ordered the expulsion of eight Iraqis, including five diplomats, from entering the country.

In a swift reaction, Baghdad today ordered 10 Britons including eight diplomats out of Iraq, the British Foreign Office announced.

"We have no knowledge of any attempt against United Kingdom lives or property by those being barred," a Foreign Office spokesman said.

Increasing Concern

"Our increasing concern at terrorist threats in this country has led us to believe that the presence of a number of known Iraqi intelligence officers here is not desirable."

The crackdown on the Iraqis occurred after the assassination July 9 in London of Abdel Rezzak el-

Nayef, who was premier of Iraq 10 years ago. He was gunned down outside a hotel.

Two men claiming Iraqi nationality, Salem Ahmad Hassan, 26, and Saadi Abdul Rahman al-Shuqri, 40, were arrested for the murder.

Report Being Checked

They are being held in custody awaiting a trial date, a Scotland Yard spokesman said today. He was unable to confirm reports from a Beirut newspaper that one of the men being held was in fact Iraq's intelligence chief and a member of the regional command of the Ba'ath party and the ruling Revolutionary Council in Iraq.

The Beirut newspaper, As Safir, identified the intelligence chief as Saadoun Shaker, who it said was arrested at Heathrow Airport.

Greece, Turkey Reportedly Set Airspace Talks

ANKARA, July 27 (Reuters) — Greece and Turkey are expected to confer on the Aegean airspace issue in Istanbul next week, informed sources said today.

They said that the technical-level talks will follow a meeting between the secretaries-general of the Greek and Turkish Foreign Ministries early this month.

Since the 1974 invasion of Cyprus, Greece has kept the airspace over the Aegean closed to all but its own traffic after declaring the region a danger zone.

Turkish officials maintain that Greece broke international rules in taking such action, which has meant that planes from Turkey to several Mediterranean countries must make a fuel-consuming detour around the Aegean.

Mediation Talks Are Held By Atherton With Israel

(Continued from Page 1)
delegation earlier. "Now the delegation has been, shamefully expelled," it said, "and Israel is swallowing the spit in the face happily."

In Amman, King Hussein of Jordan and Egyptian Foreign Minister Mohammed Ibrahim Kamel met for a general review of the situation. Mr. Kamel said that he delivered a message to King Hussein from Mr. Sadat, apparently dealing with the deadlock in the peace talks.

Hard-line Arab powers condemn Mr. Sadat's unilateral peace overtures toward Israel and insist on talks in Geneva to arrange a comprehensive peace treaty under joint U.S.-Soviet sponsorship. Jordan reportedly favors the Geneva conference plan.

Senate Urges Negotiations

WASHINGTON, July 27 (UPI) — The Senate unanimously approved an amendment yesterday calling for renewed direct negotiations by Israel and Egypt.

The amendment to the International Security Assistance Act, presented by Sen. Howard Baker, R-Tenn., supported President Carter's efforts to get the two sides together.

Mr. Carter yesterday presented Arthur Goldberg, a former U.S. ambassador to the United Nations, with the Presidential Medal of Freedom. In making the presentation, he countered Mr. Goldberg's harsh attacks on Mr. Sadat's efforts to bring about UN Resolution 242, which calls for the withdrawal of Israeli forces from Arab lands taken in the 1967, and whom Mr. Sadat called a Zionist.

Mr. Carter said that Mr. Goldberg's efforts still guide U.S. efforts for peace in the Middle East, and offered praise for his "humanitarian pursuits in the widest possible range."

Renewed Unity Of Arabs Seen In Mideast Pact

BELGRADE, July 27 (UPI) — In its first major success, the conference of foreign ministers of non-aligned nations agreed today on a joint approach to the Middle East problem.

All the Arab League nations met to discuss the Middle East situation yesterday, the first time since Egyptian President Anwar Sadat's visit to Israel last November caused a rift among Arabs and when he was assailed by five hard-line states opposed to Israel — Libya, Iraq, Algeria, Syria and Southern Yemen.

An Arab diplomat said the agreement would lead to renewal of Arab unity.

The agreement was reached on the basis of the 1974 Arab summit conference in Rabat, Morocco, which recognized the Palestine Liberation Organization as the only legitimate representative of the Palestinian people. The agreement also calls on Israel to withdraw from all Arab territories occupied in 1967, and demands the recognition of the right of the Palestinians for their self-determination and an independent state.

Egyptian Foreign Minister Fuad Butros said that Cairo "does not change anything in its strategy, because it never has planned a separate solution to the conflict with Israel."

Palestine sources said that the agreement is to be submitted to the Belgrade nonaligned ministerial conference for inclusion in a joint declaration at the end of the five-day meeting Saturday. The Arab countries plan to ask the non-aligned conference to demand a special United Nations session on Palestine by the end of this year.

4 Arrested in Lyon In Forged-Note Raid

LYON, France, July 27 (Reuters) — Police said they seized forged banknotes with a face value of 4 million francs (\$900,000) yesterday and arrested four men who were loading them into a car.

Police had been watching an apartment in which they discovered the forged money and made the arrest when the men turned up. Police said that the suspects were well-known members of the Lyon criminal underworld.

However, one of the two suspects, Mr. Shuqri, was picked up at the airport.

"We have heard of this report and are trying to check it out," a Scotland Yard spokesman said, "but at the moment have no confirmation that al-Shuqri and Shaker are the same man."

In addition to Mr. Nayef several other Middle East figures including officials of Arab governments and leaders of the Palestine Liberation Organization have been targets of similar attempts in recent years.

The Iraqi diplomats ordered to leave Britain include the military attaché and the consul while the three civilians work for the Iraqi Airways and an Iraqi bank.

Given a Week

The British diplomats include the embassy's No. 2 man in Baghdad, the defense and military attachés and the first secretary in the commercial section. The civilians were officials of British Airways. They were given a week to leave, the spokesman said.

The Foreign Office spokesman said no action has been taken or is contemplated against any other Arab or foreign diplomatic mission.

In Baghdad, the foreign under-secretary, Abdel Hussein al-Jamali, said the expulsion was on "a reciprocal basis," according to the spokesman.

The British spokesman explained that "our action has been taken entirely on security grounds. We have no wish that it should affect our political, commercial and cultural relations with Iraq and we shall continue to do what we can to improve them."

It was the largest number of foreign diplomats expelled from London since 103 Soviet embassy staff members were asked to leave in 1971.

Drug Use High In Berlin Force

WASHINGTON, July 27 (UPI) — Drug abuse in the military is highest in critical posts such as Berlin, where 42 per cent of military personnel tested are believed to be drug users, Charles Duncan, the deputy U.S. defense secretary said today.

He told the House Armed Services Committee that the military still faces a serious drug-abuse problem, but emphasized that it had not impaired overall fighting readiness.

"Our most recent survey tested 9,000 troops in Europe in January of this year. It showed 1.5 per cent of our personnel using opiates," he said. "Recent commander-directed unannounced surveys of 3,255 members of the Berlin Brigade came up with a 4.2 per cent positive return."

South African Foreign Minister R. F. Botha told a news conference yesterday that the Walvis Bay resolution was "totally unacceptable" to his government. He said the Western powers had assured him

that Walvis Bay "would not be supervised, multiracial elections in which all factions would participate, the plan calls for South Africa to retain Walvis Bay and negotiate its status with Namibia after independence."

Mr. Botha told reporters that he could not say if his government would withdraw its acceptance of the independence plan. Whether it could live with the Walvis Bay resolution would depend on talks he would have with the Western representatives.

Walvis Bay is the only deep-water port on the coast of South-West Africa. It was British territory when South-West Africa was German, and South Africa says it is still separate.

To get South African agreement to the Western plan for UN-supervised, multiracial elections in which all factions would participate, the plan calls for South Africa to retain Walvis Bay and negotiate its status with Namibia after independence.

But to satisfy the South-West Africa People's Organization (SWAPO), which has been fighting a guerrilla war against white rule, the United States and its associates agreed this week to a separate resolution calling for "re-integration" of the port enclave.

South Africa took South-West Africa from Germany in 1915, during World War I, and obtained a League of Nations mandate in 1920. It has held onto it even though the UN General Assembly voided the mandate in 1966. SWAPO started a guerrilla war then.

The Western independence plan calls for a cease-fire, release of political prisoners, return of political refugees, reduction of the number of South African troops in the territory from about 18,000 to 1,500, and election of an assembly to draft a constitution.

The election would be conducted by the South African administration-general and supervised by a special UN representative with 7,000 U.N. troops and 1,000 civilian aides.

Security officials said today that the investigation of the suspects indicated that GRAPO (Oct. 1 Anti-Fascist Revolutionary Group) also carried out a number of other terrorist strikes throughout Spain this year.

Authorities linked the seven suspects to the killings of Jesus Haddad Blanco, director of Spain's prison system, national policeman Felix Garcia Alonso and Juan Angel Santos Sanchez, accused by GRAPO of being an informer.

The statement identified four other guerrillas as the actual assassins and said two of them already were in custody.

Security officials accused Maria Paloma Gutierrez Estevez, known as Carmen, of planning and organizing the killings and writing GRAPO communiqués claiming responsibility.

The immediate focus of such action would clearly be next year's summit meeting of the nonaligned nations. Several foreign ministers and senior officials of Asian, African and Latin American countries said that at the least their heads of state would boycott the Havana session if there were not "substantial" concessions from Cuba.

"A token withdrawal of a few troops here or there, shuffling around a few numbers is simply not enough," said one senior Asian diplomat. "There must be a real commitment. We are speaking of fundamental concerns that will not be satisfied by cosmetic measures."

[The Egyptian representative proposed today that the site of the next year's summit meeting of non-aligned countries be moved from Havana or postponed to avoid a boycott by opponents of Cuban foreign policy, Associated Press reported.]

Few delegates, however, even those most solidly committed to the issue of Cuban withdrawal from Africa, were prepared to agree that the nonaligned movement should be dissolved over the question. But they said they feared that its nature could be permanently altered.

"There is the possibility of the movement itself being converted into an instrument for the spread of proxy wars and finally into a weapon for great-power warfare," said Mr. Rajaraman, who is considered a moderate among the officials of the nonaligned nations.

The government radio said dignitaries from throughout the world had been invited to the festivities. They included representatives of Vietnam, and countries in Latin America, Eastern Europe and Africa.

Those delegates were to converge on Havana later in the week for the festival, whose theme is "Anti-Imperialistic Solidarity, Peace and Friendship."

It will include the "International Tribunal: Youth Accuses Imperialism," in which representatives of six nations will "try" the United States for discrimination, colonialism, imperialism, repression and fascism.

Havana radio said Santiago had been given a facelift in preparation for the 25th anniversary celebration and the festival, including paving of streets and building "dozens of kilometers of sidewalks."

Work was also done in Havana, which the government radio said was turned into a "beautiful and warm headquarters for the festival."



British Foreign Secretary David Owen talks with reporters upon his arrival at the United Nations for the debate on South-West Africa. At right is the British UN representative, Ivor Richards.

UN Votes on Namibian Issue

(Continued from Page 1)
leave for Namibia within the week as his special representative there.

The Security Council will meet again to consider Mr. Waldheim's recommendations for a UN peace-keeping force and administrative operation. He proposes a force of 5,000 men and 1,000 civilian officials.

S. African Role

UNITED NATIONS, July 27 (AP) — The Western independence plan needs South African support to work, observers pointed out. U.S. Secretary of State Cyrus Vance and other Western representatives had been working to save the plan by persuading South Africa to agree to a gesture designed to make it acceptable to the black nationalist South-West Africa People's Organization (SWAPO).

South African Foreign Minister R. F. Botha told a news conference yesterday that the Walvis Bay resolution was "totally unacceptable" to his government. He said the Western powers had assured him

that Walvis Bay "would not be supervised, multiracial elections in which all factions would participate, the plan calls for South Africa to retain Walvis Bay and negotiate its status with Namibia after independence."

Mr. Botha told reporters that he could not say if his government would withdraw its acceptance of the independence plan. Whether it could live with the Walvis Bay resolution would depend on talks he would have with the Western representatives.

Walvis Bay is the only deep-water port on the coast of South-West Africa. It was British territory when South-West Africa was German, and South Africa says it is still separate.

To get South African agreement to the Western plan for UN-supervised, multiracial elections in which all factions would participate, the plan calls for South Africa to retain Walvis Bay and negotiate its status with Namibia after independence.

But to satisfy the South-West Africa People's Organization (SWAPO), which has been fighting a guerrilla war against white rule, the United States and its associates agreed this week to a separate resolution calling for "re-integration" of the port enclave.

South Africa took South-West Africa from Germany in 1915, during World War I, and obtained a League of Nations mandate in 1920. It has held onto it even though the UN General Assembly voided the mandate in 1966. SWAPO started a guerrilla war then.

The Western independence plan calls for a cease-fire, release of political prisoners, return of political refugees, reduction of the number of South African troops in the territory from about 18,000 to 1,500, and election of an assembly to draft a constitution.

The election would be conducted by the South African administration-general and supervised by a special UN representative with 7,000 U.N. troops and 1,000 civilian aides.

Security officials said today that the investigation of the suspects indicated that GRAPO (Oct. 1 Anti-Fascist Revolutionary Group) also carried out a number of other terrorist strikes throughout Spain this year.

Authorities linked the seven suspects to the killings of Jesus Haddad Blanco, director of Spain's prison system, national policeman Felix Garcia Alonso and Juan Angel Santos Sanchez, accused by GRAPO of being an informer.

The statement identified four other guerrillas as the actual assassins and said two of them already were in custody.

Security officials accused Maria Paloma Gutierrez Estevez, known as Carmen, of planning and organizing the killings and writing GRAPO communiqués claiming responsibility.

The immediate focus of such action would clearly be next year's summit meeting of the nonaligned nations. Several foreign ministers and senior officials of Asian, African and Latin American countries said that at the least their heads of state would boycott the Havana session if there were not "substantial" concessions from Cuba.

"A token withdrawal of a few troops here or there, shuffling around a few numbers is simply not enough," said one senior Asian diplomat. "There must be a real commitment. We are speaking of fundamental concerns that will not be satisfied by cosmetic measures."

[The Egyptian representative proposed today that the site of the next year's summit meeting of non-aligned countries be moved from Havana or postponed to avoid a boycott by opponents of Cuban foreign policy, Associated Press reported.]

Few delegates, however, even those most solidly committed to the issue of Cuban withdrawal from Africa, were prepared to agree that the nonaligned movement should be dissolved over the question. But they said they feared that its nature could be permanently altered.

"There is the possibility of the movement itself being converted into an instrument for the spread of proxy wars and finally into a weapon for great-power warfare," said Mr. Rajaraman, who is considered a moderate among the officials of the nonaligned nations.

The government radio said dignitaries from throughout the world had been invited to the festivities. They included representatives of Vietnam, and countries in Latin America, Eastern Europe and Africa.

Those delegates were to converge on Havana later in the week for the festival, whose theme is "Anti-Imperialistic Solidarity, Peace and Friendship."

It will include the "International Tribunal: Youth Accuses Imperialism," in which representatives of six nations will "try" the United States for discrimination, colonialism, imperialism, repression and fascism.

Havana radio said Santiago had been given a facelift in preparation for the 25th anniversary celebration and the festival, including paving of streets and building "dozens of kilometers of sidewalks."

Work was also done in Havana, which the government radio said was turned into a "beautiful and warm headquarters for the festival."

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More Research Urged First

Risks of Test-Tube Births Stressed by U.S. Experts

By Victor Cohn

WASHINGTON, July 27 (WP) — Some leading U.S. scientists warned yesterday that science cannot be sure yet that test-tube babies will be physically and mentally normal human beings.

Some called for far more research in the laboratory and on animals before any test-tube embryos are implanted in human mothers — the procedure that produced the child born in Britain Tuesday.

Federal health officials said they agree. They said they will continue a 3-year-old moratorium on any studies involving even the first step of combining human ova and sperm until a new National Ethics Advisory Board, a board disposed to go slowly, gives its approval.

Nonetheless, it was learned yesterday that in the past two years scientists at four major medical centers — Harvard, Cornell, Vanderbilt and the University of Pennsylvania — have told federal officials they want to resume or start such experiments.

Tests Urged

They argue that forbidding such work, at least in the test tube, could cost society dearly in continued ignorance of human fertilization. Better understanding, they said, might lead to new ways of contraception acceptable to all religions, as well as similar ways to cure infertility and prevent genetic diseases.

These were a few of the developments yesterday after the birth of a girl to John and Lesley Brown. Mrs. Brown successfully carried the embryo to term after an egg, fertilized by her husband's sperm in a laboratory vessel, was reimplanted in her womb.

The great pressure in the United States, it became clear, will fall on the 12 persons so far named to the planned 14-member Ethics Advisory Board of the Department of Health, Education and Welfare.

"This is the first project we're going to undertake," said a key member, the Rev. Richard McCormick, professor of biological ethics at Georgetown University and a Catholic widely recognized as a leading thinker in the application of science's new knowledge of life and death.

More Requests Seen

"Our staff will begin to gather background information in August," Rev. McCormick said. "I feel fairly clear there will be a marked increase in requests for this procedure from couples whose marriage is sterile. There should also be a marked increase in requests for federal funds for research."

Rev. McCormick said, "I have real serious questions and problems that lead me to take a negative position" on this issue at this time. He said his position is still tentative although a Vatican spokesman in Rome said yesterday that the Catholic Church considers any artificial human insemination illicit. Rev. McCormick does not always take orthodox church positions. But he cited such moral problems as the destruction of test-tube embryos judged unfit to survive.

"We may have doubts" about whether that mere speck-sized clump of cells is or is not "fully a human being," Rev. McCormick said. "And when there is doubt, I want to go very slowly and cautiously."

HEW's ethics board's vice chairman, Dr. David Hamburg, head of the Institute of Medicine within the National Academy of Sciences, said, "I think we're going to be very cautious about this in this country. I think we're going to go very slowly."

U.S. Funds Searched
Board member Sissela Bok, medical ethicist, said, "I don't think that because it happens in England, it can automatically happen in the United States." She doubted that the British birth will make it easier for U.S. researchers to get federal funds.

Human fertility researchers at Vanderbilt University in Nashville and the University of Pennsylvania in Philadelphia lost their federal support in 1975.

HEW decreed then that "no application or proposal involving human in-vitro fertilization may be funded" until the ethics board gave its advice. In-vitro, or in-glass, means under laboratory conditions.

In an accompanying editorial, Dr. Arthur Neuhuis predicted that the techniques used by Dr. Orkin's group signal "an impending explosion of knowledge in molecular genetics."

Previously, diagnosis of blood diseases required drawing blood from the fetus, a demanding and often dangerous technique that could only be done after the fetus was well along in its development.

With the new method, the doctors predicted that parents who risk transmission of a fatal blood disease would elect prenatal detection to "avoid the psychological trauma and potential toxemia associated with carrying an affected fetus to term."

Thalassemia is fatal when the accidental omission of a gene prevents the victim from producing hemoglobin, the protein that carries oxygen from the lungs to tissues.

In detecting thalassemia in the fetus of the Turkish woman, doctors used a long needle to withdraw cells from the amniotic fluid surrounding the fetus so they could isolate the genes that code for hemoglobin.

Once located, the genes were placed on a jelly-like substance and exposed to electric current producing a graph showing different bands, each representing single genes. One of the genes that codes for part of hemoglobin was missing, meaning that the unborn baby was without that gene.

Pakistanis Prostitute
KARACHI, July 27 (Reuters) — Prostitutes in the red light area of Lahore have filed a petition in High Court against a government order directing them to stop work during a holy month of fasting which begins Aug. 7. A High Court judge yesterday adjourned the case for a hearing at a later date.

HEW Secretary Joseph Califano Jr. did not begin appointing the ethics board until last fall, and so far it has had two meetings.

Dr. Pierre Soupart of Vanderbilt said that he is eager to start tests on the possible risks of genetic abnormalities when human ova, or egg cells, are joined with male sperm cells in a glass container instead of the body.

At Pennsylvania, Dr. Luigi Mastroianni and Benjamin Brackett said there should be much more laboratory work and trials in many more animals to make sure that test-tube fertilization will not cause mental deficiencies or physical deformations.

Hormones Used
Dr. Mastroianni is head of obstetrics and gynecology at the University of Pennsylvania hospital. In reports of previous unsuccessful attempts at such births — they have said they used hormones to prepare the womb and help maintain the pregnancies.

"These hormones are agents 'our Food and Drug Administration would never allow,'" Dr. Mastroianni said, "because of the risk of producing congenital abnormalities. It's one thing to have a cookbook trial-and-error method and maybe have a success and maybe not." He added, "What we really need is basic research in fertility. I'm just appalled at the lack of information on it."

Until there are ample federal funds, Dr. Brackett said, there is little hope of extending the work on animals in which scientists have had some success in test-tube fertilization and apparently normal births in at least three species: rats, mice and rabbits.

In all these, he said, "I don't think there is any substantial evidence for any abnormalities attributed to the procedure." The problem, he said, is that the numbers of animals involved is too small for a valid analysis.

"So the normality of the offspring is still somewhat in question," he said. "We really don't know the effect of the mechanical and chemical manipulation of an egg prior to fertilization."

2 Doctors Cautious
(Continued from Page 1)
Board for Social Responsibility of the Church of England, said that he welcomed the development because the birth of Louise Brown represented an advance in meeting the problem of childlessness for married couples.

Along with the ethical issues, a commercial storm was brewing over the birth. The Browns have sold the exclusive rights to their story to the London Daily Mail for about \$600,000 and got a British government agreement not to release the film it took of the birth for 28 days.

Accord Unacceptable
The government, which paid for Mrs. Brown's treatment and the birth through the National Health Service, said it could not accept the agreement and was prepared to make the film available commercially "subject to the views of the parents." But Mrs. Brown's lawyer, Paul Vincent, said that she was insisting on the 28-day clause.

Reporters asked Dr. Edwards and Dr. Steptoe if they thought the baby could expect a normal life. "That depends upon you and your colleagues," Dr. Edwards replied. [Meanwhile, in Oldham, Dr. Steptoe said today that Louise and her mother "are progressing very well." United Press International reported. His statement was the only official word issued by the Oldham General Hospital, where the baby was born.]

[Dr. Steptoe and his aides declined to answer questions about whether Mrs. Brown would be allowed to breast-feed the child. A spokesman said these and other questions of the kind were "clinical matters and nobody else's business." [They declined to say whether Mrs. Brown was still being fed by saline drip, as reported early today by a London newspaper.]

New Technique Applied in U.S.

Fetus Disease Found by Isolating Gene

BOSTON, July 27 (AP) — Doctors say the first application of a technique for isolating human genes allowed them to diagnose a rare blood disease in a fetus and pointed the way to what may be a method for determining many other health problems in unborn babies.

The doctors said that the technique permitted them to isolate a single missing gene among the thousands in a human cell and demonstrated the presence of a type of generally mild thalassemia, a blood disease, in the fetus of a Turkish woman.

But, they said, the method also can be used to detect the presence of a fatal form of thalassemia and may eventually be adapted to finding other, more common birth defects such as cystic fibrosis and sickle-cell anemia.

The work, reported to be the first such isolation of a human gene, was done by a group of doctors and scientists headed by Dr. Stuart Orkin of Harvard University and re-

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'Risks' of U.S. Pullout

Senate Warns Carter on Korea

WASHINGTON, July 27 (AP) — While praising President Carter for promising more consultation with Congress on foreign policy issues affecting Korea, the Senate voiced concern yesterday about "serious risks" in planned U.S. troop withdrawals.

On a vote of 81-7, the Senate adopted an amendment to a \$2.85-billion foreign military aid bill declaring it the "sense of the Congress" that Mr. Carter's troop pullout plan might upset the military balance in North Asia. The for-

ign aid bill itself was passed 73-13. The amendment was a watered-down version of one first offered by Sen. Charles Percy, R-Ill., calling the withdrawal "contrary to the national security interests of the United States and to the interests of peace in Asia."

Sen. Percy agreed to the modified language which was finally approved but said in a speech he had "come to doubt very seriously the wisdom of the president's decision" to remove the 36,000 U.S. troops in South Korea by 1982.

The original schedule was slowed by the administration, but the plan still calls for a pullout this year of about 3,400 Americans, including 800 combat troops.

Sen. Percy said the withdrawal could generate temptations for North Korea to invade the South. He and other senators cited evidence of a large buildup of military strength along the northern edge of the Demilitarized Zone within easy striking distance of Seoul.

As approved, the amendment reflected not only that concern but a fear that the entire military balance in Asia — in what Sen. Jacob Javits, R-N.Y., called "the critical triangle" of Korea, Japan and Taiwan, might disintegrate.

The nonbinding amendment declared that the president should report to Congress on the effects of any proposed withdrawal on "preserving deterrence" in Korea, the probable effect on North Korean plans, implications for South Korea to develop an "independent nuclear deterrent," and on the complex set of military and economic relationships involving the United States, Japan, China and the Soviet Union.

It was the second consecutive day that the Senate spelled out in an amendment affecting Asian policy the need for prior consultation between the White House and Congress. A similar caveat was written Tuesday into a provision of the foreign military aid bill involving the U.S.-Taiwan mutual defense treaty.

It noted that the United States and Taiwan have been linked by this treaty since 1954 and said the Taiwan government had "faithfully and continually carried out its duties and obligations." It added that the president must consult the Senate before making any changes in the accord.

This was in anticipation of an eventual decision by the United States to cut ties with Taiwan and establish full diplomatic relations with China.



CYCLIST'S CORTEGE — About 125 motorcyclists ride through downtown Lancaster, Pa., in the funeral procession Wednesday of Michael Hess, who was slain Saturday while attending a music festival in Shade Gap, Pa. He was said to be a member of the Pagans motorcycle club.

Administrative Error Cited

FBI Failed to Investigate Alleged King Murder Plot

By Anthony Marro

WASHINGTON, July 27 (NYT) — Information concerning an alleged plot to assassinate the Rev. Dr. Martin Luther King Jr. remained unchecked for five years because a FBI agent based in St. Louis disregarded a basic regulation concerning the dissemination of criminal information, FBI officials acknowledged yesterday.

Homer Boynton, the chief FBI spokesman, said that the handling of the information had been in "violation of established rules and

procedures." But he also said that the bureau was convinced that the mishandling resulted from an "administrative error" and not from any attempt to block a full investigation of the murder, which occurred five years earlier.

Mr. Boynton said that the agent responsible had retired and that no formal inquiry was planned. He also said that the bureau would not investigate the alleged assassination plot because of an agreement with the House Select Committee on Assassinations not to investigate matters that are being studied by the committee unless the committee so requests.

'Honest Error'

Although Mr. Boynton dismissed the matter as an honest error, a number of FBI and Justice Department sources said that the disclosure was causing "great embarrassment" at FBI headquarters.

They also noted that the failure to promptly investigate the allegations might have been costly, because the second of the two men said to have offered \$50,000 for the murder of Dr. King has since died, making the story far more difficult to corroborate or discredit.

The allegations were transmitted to the bureau in 1973 by an informant who told the St. Louis agent that Russell Byers, a former auto parts dealer, had said that he was offered \$50,000 in 1966 or 1967 to arrange the murder of Dr. King.

Regulation Ignored

The agent, whom FBI officials refused to identify, was said to have prepared a report containing the information, placing one copy in a file on the informant and another in a file on Mr. Byers. But the officials said that he did not follow a regulation requiring agents to forward any information about a specific crime to agents working on the case.

"He may have thought it was a frivolous allegation, but that wasn't his decision to make," said an FBI source, who did not want to be identified.

The information surfaced about four months ago, when an FBI agent checked the file on Mr. Byers, who had been implicated in the theft of a statue from a St. Louis museum. Officials said that the agent took it to a supervisor, who sent it to bureau headquarters in Washington.

The Justice Department then transmitted the information to the House committee, which subsequently obtained sworn testimony from Mr. Byers that the proposal had been made to him on behalf of an unnamed businessman's group by two men from Imperial, Mo.: John Sutherland and John Kauffmann.

Crash Canceled Official's Ride

WASHINGTON, July 27 (UPI) — Army Secretary Clifford Alexander was scheduled to ride in the helicopter that crashed May 19 in Connecticut shortly before Mr. Alexander's planned flight, the Army said yesterday.

Three crewmen employed by the manufacturer, Sikorsky Aircraft, died when the Blackhawk helicopter plunged into the Housatonic River shortly after take-off from the company plant at Stratford, Conn., on a test flight.

Palestinians in Moscow

KUWAIT, July 27 (UPI) — A top-level el-Fatah Palestinian guerrilla delegation flew to Moscow yesterday to discuss bilateral relations and the difficulties facing the Palestinian revolution.

Murderer of Malcolm X Names 4 as Accomplices

By Charles Kaiser

NEW YORK, July 27 (NYT) — Thomas Hagan, one of three men serving life sentences for the murder of Malcolm X in 1965, has signed an affidavit in which he denies the two others are guilty and names four other men from New Jersey who he alleges were his real accomplices.

The affidavit is part of court papers submitted yesterday to Acting Justice Harold Rothwax by William Kunstler, counsel for Norman 3X Butler and Thomas 15X Johnson, who are seeking a new trial on the charge that they killed Malcolm X. Together with Hagan, they were convicted in March, 1966, after a 14-week trial. Their convictions were unanimously affirmed by the Appellate Division of State Supreme Court, the state's highest court, and the State Court of Appeals.

Mr. Kunstler told the court he had received information that two of the men accused by Hagan of being his real accomplices might be ready to come forward and admit that they participated in the murder of the Black Muslim leader.

In an interview afterward, Mr. Kunstler said he believed the other two men named in Hagan's affidavit were dead.

Justice Rothwax is expected to rule in September on Mr. Kunstler's motion requesting that the convictions of Johnson and Butler be set aside, or alternatively, that a hearing be held to assess the new evidence he has submitted.

Hagan testified at his original trial that neither Johnson nor Butler were his real accomplices, but he refused to identify the men who he contended actually aided him the crime.

Hagan has now given the names of the four men because he says he is concerned that two innocent men have been imprisoned for 13 years for crimes he claims they did not commit.

But Hagan's affidavit, Mr. Kunstler has submitted copies of FBI files that repeatedly quote informants who say they recognized one of the gunmen in the Audubon Ballroom on Feb. 21, 1965, as a member of a Muslim mosque in Newark, N.J. Both Johnson and Butler were members of a New York mosque.

after being denied admission in 1973, claiming that his rejection was the result of illegal discrimination, because his test scores were higher than most of the minority applicants admitted under the minority-quota program.

Australia, Britain Delay N-Safeguards

CANBERRA, Australia, July 27 (Reuters) — Australia's deputy prime minister said today there had been an unexpected delay in the signing of a nuclear-safeguards agreement between Australia and Britain.

Britain had not been able to resolve differences on the agreement with the Common Market, Douglas Anthony said. The agreement, he said, concerns supply of Australian uranium to Britain.

To Protect Individual Privacy

U.S. Renews Computer Security

By Marjorie Hunter

WASHINGTON, July 27 (NYT) — The Carter administration will move next week to tighten security over the federal government's network of computers to protect individual privacy and to prevent fraud and misuse.

The security orders will be issued by the Office of Management and Budget, which has fiscal and policy control over government computer operations. A copy of the document was obtained yesterday by The New York Times.

In its directive, the OMB will order the Commerce Department to compile security standards and guidelines, the General Services Administration to set regulations for physical security of computer rooms and the Civil Service Commission to determine the extent of screening and background checks on computer personnel.

Increasing Concern

The move comes at a time of increasing concern over lack of safeguards in some computer operations of the government, the world's largest user of computers.

For instance, the General Accounting Office, an investigative arm of Congress, reported earlier this month that the Social Security Administration's financial and medical files on millions of Americans "are not properly safeguarded from potential loss, destruction, abuse or misuse."

The accounting office also reported in recent years that auditors had found 69 computer-related crimes involving introduction of fraudulent records into computer systems, issuance of fraudulent checks, unauthorized use of facilities and alteration or destruction of information files.

There have been numerous complaints in Congress over the ready availability of some government computer data, a situation that these critics say constitutes an invasion of an individual's privacy.

Broad Availability

Rep. John Moss, D-Calif., a co-author of the Federal Privacy Act of 1974, last week criticized what he termed the "too broad" availability of personal data from Veterans Administration files.

The federal government uses nearly 10,000 computers in processing tax returns; issuing welfare and Social Security checks, federal grants, farm subsidies and veterans benefits; issuing savings bonds; predicting crop levels; processing intelligence; compiling labor statistics and census data; controlling space missions; compiling crime data and maintaining records on Americans.

In a 1976 report to the Senate Government Operations Commit-

tee, the GAO said that government computers each year issue a minimum of \$26 billion in checks that are not evaluated by humans as to accuracy.

The GAO cited the following examples of computer crimes:

- A Defense Department employee, who helped automate an accounting system, introduced fraudulent payment vouchers into the computer, which then issued \$100,000 in checks payable to fictitious companies set up by the employee and his associates.

- A supervisory clerk introduced fictitious food stamp claims into a computer on behalf of accomplices.

- A manager of a computer center stole personal data from the files and sold it to private companies for use in promoting their product.

- A former official of the Internal Revenue System perpetrated a multiple-filing fraud and obtained refunds of more than \$500,000.

GSA Head Reportedly Will Fire His Top Aide

By Ronald Kessler

WASHINGTON, July 27 (WP) — General Services Administrator Jay Solomon has decided to ask for the resignation of his influential top aide, Deputy Administrator Robert Griffin, sources said.

President Carter has approved Mr. Solomon's decision to oust Mr. Griffin, the sources said, a move that could hurt relations between the president and House Speaker Thomas O'Neill Jr., D-Mass., who is a close friend and patron of Mr. Griffin, a long-tenured GSA official.

Reacting to federal and internal investigations that have disclosed widespread corruption inside the GSA, Mr. Solomon has been trying in recent months to take more effective control over the sprawling agency, which spends \$5 billion a year to provide federal workers with offices and supplies.

But Mr. Solomon told The White House, according to the sources, that he has not been able to work his will within the agency because GSA employees have been unsure whether he or Mr. Griffin is really in charge.

Mr. Griffin, 61, is a 35-year GSA veteran who has established his own base of power, especially because of his contacts in Congress.

Mr. Solomon was named GSA administrator a little over a year ago. Rep. O'Neill had unsuccessfully sought to have President Carter select Mr. Griffin to head the agency.

The White House yesterday issued a statement from Mr. Carter supporting Mr. Solomon and any "procedural, personnel, organizational, and other actions" he might make to "bring this matter [the GSA abuses] to light and to bring those responsible to justice."

The statement called corruption in government "intolerable" and said that Mr. Carter has asked Attorney General Griffin Bell to make available any assistance Mr.

Solomon might need during the investigations.

Although the statement, addressed to Mr. Solomon and signed by Mr. Carter, does not mention Mr. Griffin, it was said to be intended to represent the "blank check" Mr. Solomon needed to ask Mr. Griffin to leave.

Mr. Griffin said he had not been told of the decision and doubted that it was true.

Saudis Give Funds

For Locust Control

ROME, July 27 (UPI) — Saudi Arabia has donated \$500,000 to fight a locust plague threatening Africa and the Middle East, the UN Food and Agriculture Organization reported today.

Earlier this month, the Arab Bank for Economic Development in Africa signed an agreement to provide \$15 million in aid to 11 African countries threatened by locusts.

1962 Test-Tube Embryo Claimed by U.S. Doctor

NEW YORK, July 27 (UPI) — A doctor testified at the "test-tube baby" trial here yesterday that he successfully fertilized a human egg outside the mother's body and implanted the embryo in her womb 16 years ago. The doctor said that the egg, once implanted, "took" and began to grow before the hysterectomy two days later.

The testimony by Dr. Landrum Shettles was supported by what he described as photographs of the experiment he conducted in 1962 at

Columbia-Presbyterian Hospital when he was a resident gynecologist.

The doctor testified at the trial brought on by the \$1.5 million damage suit filed by Mrs. Doris Del Zio against Columbia-Presbyterian and Dr. Raymond Wande Wiele, its chief gynecologist.

Mrs. Del Zio, 34, of Fort Lauderdale, Fla., alleged that the experiment performed by Dr. Shettles in September, 1973, at Columbia Presbyterian in her effort to have a test-tube baby was "willfully and capriciously" stopped by Dr. Wande Wiele and the hospital. Dr. Shettles has since retired.

The jury was advised by Judge Charles Stewart not to take into consideration the birth of the world's first test-tube baby in England on Tuesday. That birth, the judge said, has "nothing to do with this case."

Dr. Shettles testified that in the 1962 experiment he implanted the fertilized egg in the womb of a young woman who was awaiting surgery to remove her uterus and had offered the use of her body.

In the Del Zio experiment, the eggs were removed from Mrs. Del Zio and mixed by Dr. Shettles in a test tube with her husband's sperm. Mrs. Del Zio was unable to have a child naturally because of blocked fallopian tubes.

The defense contends that Dr. Wande Wiele had no choice but to stop the experiment because it had not been cleared by the hospital's human experimentation committee and represented a threat to Mrs. Del Zio's life.

Terror Suspect Indicted in U.S.

BURLINGTON, Vt., July 27 (UPI) — A U.S. grand jury today indicted Kristina Bernier, 27, a West German terrorist suspect, on seven counts of violating U.S. immigration laws and lying to authorities.

Offenses included presenting a false passport, trying to cross the border without reporting to immigration officials and making false statements. She had been arrested on July 16 in Albany, Vt., carrying a false Iranian passport as entered from Canada on foot.

She is wanted in West Germany for suspected activities in the Socialist Patients Collective in Heidelberg. The collective allegedly was a recruiting ground for the Baader-Meinhof urban guerrilla group.

Rights in Tokyo Protest China Pact

TOKYO, July 27 (Reuters) — About 1,000 rightists dressed in combat fatigues demonstrated outside the Foreign Ministry today against a proposed peace-and-friendship treaty between Japan and China.

The rightists, in about 100 vans covered with wartime rising-sun flags, later drove through Tokyo shouting from megaphones: "We oppose the treaty. There are problems to be solved before concluding the treaty now."

The court's decision last month did not require public agencies to be "color-blind," the department argued, and did not disturb previous rulings that required such agencies to take positive steps to remedy the effects of past discrimination.

The department's comments were made in a friend-of-the-court brief filed with the 6th U.S. Circuit Court of Appeals, in a suit by the Detroit Police Officers' Association against Detroit's mayor, Coleman Young. In that case, white police

U.S. Backs Detroit Police Black Promotion Quota

By Steven V. Roberts

WASHINGTON, July 27 (NYT) — In its first official interpretation of the U.S. Supreme Court's Bakke decision, the Justice Department yesterday urged approval of an affirmative-action program that sets strict numerical quotas for the promotion of blacks in the Detroit Police Department.

The court's decision last month did not require public agencies to be "color-blind," the department argued, and did not disturb previous rulings that required such agencies to take positive steps to remedy the effects of past discrimination.

The department's comments were made in a friend-of-the-court brief filed with the 6th U.S. Circuit Court of Appeals, in a suit by the Detroit Police Officers' Association against Detroit's mayor, Coleman Young. In that case, white police

officers had challenged an affirmative-action plan that mandated the police department to promote one black to the rank of sergeant for every white promoted. The plan was ruled unconstitutional by District Court Judge Fred Kaess last February.

Political Implications

The department's brief had political as well as legal implications. Supporters of affirmative action, from President Carter on down, have been concerned that the

Bakke ruling would have a "chilling effect" on such programs and might discourage voluntary compliance with antidiscrimination laws.

"We want people to understand that the government position on affirmative action has not changed at all," said Robert Reinstein, the Justice Department attorney who signed the brief. "We stand ready to support employers who adopt appropriate affirmative-action plans. We thought Detroit did that."

At the same time, the brief stressed that affirmative-action plans cannot be open-ended, and must only correct the measurable effects of past bias. "After that has been accomplished," the brief argued, "the use of race as a criterion in promotions must cease."

The Supreme Court on June 28 ruled in favor of Allan Bakke, who sued a California medical school

after being denied admission in 1973, claiming that his rejection was the result of illegal discrimination, because his test scores were higher than most of the minority applicants admitted under the minority-quota program.

Australia, Britain Delay N-Safeguards

CANBERRA, Australia, July 27 (Reuters) — Australia's deputy prime minister said today there had been an unexpected delay in the signing of a nuclear-safeguards agreement between Australia and Britain.

Britain had not been able to resolve differences on the agreement with the Common Market, Douglas Anthony said. The agreement, he said, concerns supply of Australian uranium to Britain.

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Grounding the Air Cartel

The International Air Transport Association (IATA), the air fare cartel, recently opened the door a crack to competition. It will no longer require airlines to participate in collective rate-setting to enjoy its essential housekeeping and clearinghouse services. The decision is less an endorsement of competition than a reluctant admission of division among carriers flying the Atlantic. It does not guarantee that fares will henceforth be determined in the marketplace; most airlines remain deeply suspicious of free enterprise. The task of putting an end to IATA's price-fixing for once and all is still up to the U.S. government.

International airlines have always had difficulty agreeing on a common fare policy for the heavily traveled North Atlantic routes. But they have generally managed to compromise, leaving travelers to face a uniform fare structure. IATA's committees even tried to manage the width of the seats, the size of the drinks and the price of the movies. Fare regulation started to break down with the challenge of charter flights, from which the regular airlines were barred. It collapsed when British and U.S. authorities agreed to let Laker Airlines — no friend of the cartel — begin standby service between New York and London at rock-bottom rates.

The big carriers insisted on matching Laker's prices and a scramble for new passengers began. Travelers may be bewildered by the price and service choices, but competition has worked to fill empty seats and to lower fares.

Celebration, however, is premature. Cartel agreements continue to dominate fares on most other international routes and hard times could bring them back to the North Atlantic. That is why rate changes, now contemplated by the U.S. Civil Aeronautics Board to bar cartel pricing altogether, are so welcome.

Under our anti-trust laws, price agreements among airlines that serve this country are legal only when the board approves. In the past, IATA members have received automatic permission to discuss rates among themselves.

There is no reason, however, why the board should not demand that every carrier set its prices independently, just as the Justice Department insists that other, unregulated firms do.

Many airlines see decartelization as the shortest path to ruin. But recent experience has shown how hollow the opposition to air competition really is. Low-fare packages have opened travel opportunities to millions. And by filling planes that used to depart half empty, the discounts have raised profits. The threat that foreign governments would lose away millions in taxpayers' money to undercut private U.S. carriers has not materialized.

The one serious argument against grounding IATA is political, not economic. All governments retain the right to regulate fares on international flights. In the past they have usually allowed their national carriers to represent their interests in IATA and then accepted the compromises reached in airline-to-airline bargaining.

But if IATA ceases to set rates, the chances are that governments will be forced to negotiate directly with each other, raising their disagreements to diplomatic contests. So if IATA's demise were merely to remove a convenient buffer among governments that still insist on fixing air fares, little would have been gained.

Chairman Alfred Kahn of the CAB is wisely pressing, therefore, for agreements that other governments will stay out of rate-setting. The Dutch and the Israelis have already made their peace with competition, and there is hope that West Germany will, too. Should Europe's premier economic power choose competition in return for the right to land Lufthansa jets wherever it chooses in the United States, it is generally expected that the rest of Western Europe will have to follow suit.

The coincidence of IATA's internal difficulties, the rising disaffection with big government in the United States and the strong interest in deregulation is too important to ignore. High fares and low profits have demonstrated for decades that no one benefits from IATA's restrictions.

THE NEW YORK TIMES.

Why Not Price Controls?

With the current surge of inflation, the question of wage and price controls keeps bobbing up. Consumer prices in the six months through May rose at an annual rate of 9.4 percent. Once again, food prices have been recently leading the way. Why not invoke controls again?

The answer is that they did serious damage the last time the country tried, in 1971-73 and the effects are still visible. President Carter has flatly ruled out controls, and he's right. One reason is the adamant opposition of the labor unions, who learned that it is easier to control wages than prices. But the controls also conveyed other lessons that are worth recalling now.

In any competitive industry, price controls tend to favor the biggest corporations with the broadest financial resources. Take the example of automobiles. Under the Nixon administration's controls, a company could usually pass through rising costs of production — unless that raised its profits above a certain margin. The biggest automakers, General Motors and Ford, were denied price increases because their profits were in good shape. Chrysler and American Motors, with lower profits, were granted price increases. But that left those two smaller companies with an excruciating dilemma. If they raised prices, they damaged their ability to compete with GM and Ford. If they did not raise prices, they had to absorb their steadily rising production costs. Either way, they were weakened in relation to the bigger and richer companies. Moral: controls are bad for competition.

Controls do queer things to investment and production. Throughout the 1960s, oil and gas drilling had slowly declined in this country. The turn-around came in 1972 when controls were in effect. The steel companies

had regarded drilling pipe as a minor product. They made it on aging equipment, and profit margins were low. When orders for new pipe began to pick up, the steel companies had little incentive to make more of it. The result was a wild scramble among drillers for pipe, and something very much like a black market appeared. Drilling costs shot upward much faster than the general inflation rate, and kept going even after controls expired. Moral: Price controls can sometimes be, paradoxically, more inflationary than no controls.

For consumers, it's the inflation in food prices that is the most immediately painful. But food prices are the hardest for a government to control. Housewives' demonstrations against the high cost of beef, in early 1973, induced the White House to put ceilings on meat prices. Some stock raisers held animals off the market to wait out the controls. Others exported their cattle, mainly to Canada.

Two morals here: First, a country can't maintain price controls unless it is also prepared to curb exports, which in turn damage foreign markets and violate trade agreements. Second, controls create shortages. The disappearance of beef from the stores turned customers to fish and poultry in such numbers that they were soon in shortage as well. At that point a lot of people began to fear a looming nationwide shortage of food in general. To head off a public panic, the administration was forced to drop the controls.

Controls are tolerable only for very short periods, in emergencies. The Carter administration knows that working down the current inflation is going to take a long, long time. It is relying mainly on exhortation, persuasion and, increasingly, cuts in federal spending. That isn't very dramatic, and it doesn't produce quick results. But it's better than the alternative.

THE WASHINGTON POST

International Opinion

Results From Summit

The heads of the states and government who met in Bonn will hardly have hoped seriously that they would find easy answers to questions they had already failed to solve previously. Their daily responsibilities prevent them from putting international interests before their own domestic ones, and they must always reckon with the possibility of

setbacks at home. On the other hand, none of the countries represented at Bonn is in a position to solve current economic problems single-handed. Concerted action is essential. So although the practical results of the summit may have been meager, the important gain was the way the individuals concerned were able to discuss their problems in an atmosphere of mutual confidence.

— From the *Neue Zürcher Zeitung* (Zurich).

In the International Edition

Seventy-Five Years Ago

July 28, 1903

NEW YORK — Chinese authorities have demoted the former Chinese minister in Washington, Wu Ting-fang, to a clerical position in the Chinese Foreign Ministry, it was learned here today. Diplomats here generally credit his shelving to the fact that Mr. Wu had become too progressive to suit his superiors, and in particular had adopted too many "American" ideas. Mr. Wu, on his recall to China last year had vowed to introduce automobiles, bicycling, and American bathing suits to his country.

Fifty Years Ago

July 28, 1928

LONDON — For the first time in history, a commercial airliner was piloted by a woman on a regularly-scheduled run, when Lady Heath flew a Royal Dutch Airlines Fokker-Jupiter with 15 passengers from Amsterdam to Croydon, Surrey. Lady Heath has concluded a contract with the airline to serve in the capacity of second pilot. The airwoman was somewhat more strikingly garbed than the average pilot, however, wearing a matching leopard skin coat and leopard skin helmet over a whipcord dress.



On Playing the Chinese Card

By Ross Terrill

CAMBRIDGE, Mass. — A couple of weeks ago Leonid Brezhnev warned President Carter not to "play the Chinese card against the Soviet Union." To do so, the Russian leader predicted — or threatened? — in his speech at Minsk, would be "to bitterly regret it" later.

The Russians should know all about this game, for they played the Chinese card against the United States throughout the 1950s. They are correct to be anxious. From the point of view of U.S. interests there is much to be said for playing the Chinese card.

The Carter government has made a specialty of zigzags, and an interesting one occurred in April. China came back after eight months on the back burner. Mr. Carter said on April 11 that he hoped "within months" to "completely realize" the goal of full diplomatic relations with Peking that was set out in the Chinese-U.S. Shanghai communiqué of 1972. Since then a whole pack of low-order Chinese cards have hit the table.

Warm Visit

Zbigniew Brzezinski paid a warm visit to Peking, said that the United States wanted to encourage a "strong and secure China," and that "the United States has made up its mind" to normalize ties. The United States, reversing previous policy, approved the sale to China of geological survey technology that it won't permit sold to the Soviet Union because of possible military use. Mr. Carter spoke of "worldwide common hopes that we share with the Chinese." Assistant Secretary of State Richard Holbrooke in Hawaii spoke of the U.S.-Japan-China grouping in terms of an alliance. A nuclear-powered aircraft carrier, the Enterprise, has even been lying about in Hong Kong harbor as a gesture to spur Chinese nerves in the face of Soviet naval presence around Vietnam.

And one of the most senior groups of U.S. government scientists every to visit a foreign country is in Peking for talks with Chinese counterparts. It is led by Dr. Frank Press, science advisor to President Carter.

A zig — or was it a "Zbig"? — took place in April for two reasons, and it is their combination that gives the Chinese card a special interest just now. A victory for the Panama Canal treaties then seemed assured — this bears on the Taiwan problem (via domestic politics) which is the one obstacle to full diplomatic ties between Washington and Peking. And in April, alarm about the Soviet role in Africa began to grow — this bears on the strategic aspect of Chinese-U.S. dealings.

In the past, the Taiwan part of China policy and the Russian part had always seemed to pull against each other. Normalize with Peking, some doves said. Tilt to China against Russia, some hawks said. But no-one wanted to do both. Indeed many people saw the two as an either/or proposition.

But when Brzezinski climbed the Great Wall of China in May (and quipped to his Chinese host: "Last one to the top opposes the Russians in Ethiopia") the strategic aspect of China policy seemed to have caught up for the first time with the lingering two-China situation.

Brzezinski stated in Peking that "friendship and normalization" between China and the United States are "vital and beneficial to world peace."

Holbrooke likewise said in Hawaii that normalization is essential to the stability in Asia which is the parallel strategic goal of China and the United States. The shopping list approach to foreign policy — tackling problems one by one in

isolation from each other — seems to have given way to a more integrated view.

All this means that U.S.-Chinese relations may go ahead somewhat in the near future. But just how should the Chinese card be played? The key points are to understand how political triangles work, and to follow the logic of the fact that China will be weaker than the Soviet Union for a long time to come.

Interests are the basis of a triangular relationship. Leverage is its operating principle. Not a very high-minded way of acting in the world, but then today's mood calls for the protection of people's concrete interests — not for grand designs.

To play the Chinese card in no way means to criticize China. Mr. Carter is quite right to speak up about what the United States stands for. China and the Soviet Union are not slow to trumpet their own values. Values are a component of power, but this is truer in domestic politics than in foreign. Where talk about human rights cannot be backed up with action — and it often cannot be in the case of China and the Soviet Union — then it only marginally affects the politics of a triangle.

Nor does it make sense to think of an alliance with China. Britain's highest military officer touched off a controversy in London last month by saying in Peking that the Soviet Union was "the common enemy of Britain and China." It would be quite wrong for the United States to use that sort of alliance politics language. The agenda for positive cooperation with China will remain a thin one for the time being.

What playing the Chinese card should mean is making the tie with Peking as full and interlocking as that with Moscow. At present it is not. Without diplomatic ties — to take one aspect — many things that ought to happen can't. U.S. businessmen lose orders to Japan and West Europe; media, banks, students cannot be resident in Peking; Chinese leaders won't visit Washington and so they still do not know America first-hand; the list is a long one.

Detente with both Red Giants is the best policy for the United States. Of course, this means ongoing tensions with both. But it also means, especially while the Soviet-Chinese flank of the triangle remains the chilliest of the three flanks, maximum influence for the United States. And should the Soviet Union and China draw nearer together, the damage to the United States would be minimized if by then Washington enjoys even-handed, fully engaged ties with both the Dragon and the Bear.

There is one more point. Because China is weaker than the Soviet Union, and far less of a threat to U.S. interests, a short-term tilt toward China is logical. This is not based on any preference for Chinese society over Russian, but is simply the best way to maximize U.S. leverage.

It was quite right to allow sensitive geological technology to China but not to the Soviet Union. And it would be blind not to notice, and appreciate, that China and the United States have parallel views of

many world issues from Africa, Europe, the Indian Ocean, to Indochina. The gravity of sheer facts has tilted the Chinese and ourselves toward each other. The Enterprise could go to Hong Kong; how could it possibly go to a port on the Soviet Union's doorstep?

Modernize

As for Dr. Press's delegation, there is no reason why it should not agree to future sales of technology to the Chinese. China is going to modernize, with or without U.S. know-how. If Americans are in on it, that will give the United States a bit of influence in China.

The Carter government has apparently decided that a step-by-step normalizing of relations with Peking is essential to making the U.S.-China flank of the triangle a solid fact of life. If that bothers Mr. Brezhnev, so be it. The Kremlin did not worry about "upsetting" the United States when it walked hand in hand with China in the 1950s. Did that friendship reduce Soviet influence with President Eisenhower? Of course not; it added to it. But nor did it stop a dawning realization in the Soviet Union and the United States that both have to share the planet in businesslike ways. The same will be true — with the shoe on the other foot — into the 1980s. Mr. Brezhnev understands the Chinese card. It's time we did.

Ross Terrill is a specialist in Asian affairs at Harvard University. His new book, "The Future of China," has just been published. He wrote this article for the *International Herald Tribune*.

Letters

Mideast Talks

Now that peace negotiations between Israel and Egypt seem to be starting again it might be salutary to remind Khalid I. Babaa (Letters, July 13) that negotiations begin by the two sides placing their incompatible starting positions side by side and working slowly towards a compromise solution. Therefore to restate, as Mr. Babaa does, that Mr. Begin's starting position as an excuse for not negotiating is hardly true.

Let us hope that not only will the Egyptians continue this new round of talks without finding an excuse to walk out in a huff, but that some way may be found to encourage the other two confrontation states, Jordan and Syria, to join in the negotiations.

DAVID M. JACOBS
St. Albans, England.

Right to Publish

The New York Times editorial (IHT, July 17) is but the latest example of the lame attempts on the part of publications such as The Times and The Washington Post to defend their alleged right to "publish and be damned."

This effort to use the cloak of the First Amendment as an excuse for their assumed license to play God over the rest of the world's poor mortals in deciding what we should read and hear is disgusting in view of their track record over the past decade.

The feeble pretense to objectivity through passing reference to "the unproved proposition that the media inflames their communities against fair trials... the theory that the media are insensitive to the rights of privacy and reputations of prominent citizens" is accompanied by a thundering silence concerning their performance and particularly their motives in rushing into print

William Pfaff

From Paris:

Barre wants to end centralized control of the economy and establish a liberal system ruled by market forces.

PARIS — Frenchmen will return from vacation in September to meet sharply higher prices and the prospect of rising unemployment. This will be so not despite the government, but because of the government. Prime Minister Raymond Barre's program to lift controls from the French economy, end protection for its vulnerable sectors, curtail subsidies, allow prices to find their free market levels, and send the weakest companies to the wall, will inevitably have the mid-term effect of boosted inflation and more unemployment.

Barre, however, implacably defends his plan as eventually producing a dramatic improvement in France, benefitting workers as well as everyone else. But he says that his rigorous treatment will take another year and a half to complete — that is, to the end of 1979 — and that the going between now and then will be hard on everyone.

Discontented

It may, of course, be hardest of all on Barre himself. Polls now show 52 percent of the public more or less discontented with his policies. The Gaullists, as well as the left opposition, in the time it can spare from its internal quarrels, are both on the attack against Barre. Rumors have it that Barre will not last beyond October. Or that he will be allowed to go on long enough to shake out some of industry's worst performers — and take the blame for it — and then will be dropped by President Valéry Giscard d'Estaing.

Speculation on candidates for the succession can already be found in the Paris press — if only, at this stage, as a contribution to the vacation-time entertainment of the French.

In fact, something very serious is happening here. Even the French themselves seem reluctant to face the full implications of Barre's policies. The prime minister, with Giscard d'Estaing's support, is set upon making a radical, and even historical, change in the French economy, and thus, implicitly, to change French society itself. Barre's plans, in their way, are more radical than anything seriously contemplated earlier this year by the Union of the Left, before the March elections.

Market Forces

Barre wants to end centralized control of the economy in France and establish a liberal system ruled by market forces. Centralism, dirigisme, in France in its present form dates from the war years and just after, when the state found itself in direct control of a sizable part of the industrial economy and the 1946 constitution was drafted in the dramatic atmosphere of discredited institutions and assumptions. That constitution, imposed upon every Frenchman or woman "the duty to work," while guaranteeing to each "the right to have a job." The national planning system was developed in those years, and the national school of higher administration — the famous ENA — was founded, recruiting and training France's modern technocracy, which the Oxford

historian Theodore Zeldin describes as "the old monarchy's benevolent despotism, modernized by the public opinion, democratized by the social consensus, but retaining firmly seated in the old traditions of centralization and bureaucracy."

The French economy, though, was first centralized at the end of the 17th century by Colbert, under Louis XIV. The system was modernized and extended by Napoleon, and has never since faltered. The evidence would suggest that the French actually like it. They of course invariably talk of the tyranny of Paris, the besetting of decentralization and regionalization, the need for administrative reform — but in 300 years no one has done anything effective to make a basic change in the system.

System Works

The system in fact works very well. Even the French economic "miracle" of the last quarter-century was managed with state intervention and planning. It took what before the war had been a country with, by the standards of its neighbors, a minor industrial plant dominated by backward family firms, and turned it into Western Europe's second industrial power, arguably its most modern, and its fastest-growing (even after 1973, during the recession, the French economy continued to grow at twice the speed of West Germany). For Prime Minister Barre to set out now to undo centralized control of this economy is a big ambition; he has his work cut out.

But those who think that Giscard d'Estaing will abandon Barre when trouble comes over prices and unemployment may well be wrong. Giscard d'Estaing certainly understands what Barre is up to. The president, a former minister of finance, is in economic matters probably the most sophisticated chief of state. Barre is moving France towards the liberal economic model West Germany follows. And Giscard d'Estaing's own ideas on the economy, and on the problems France shares with West Germany, were shown in recent days by the joint West German-French proposal for European monetary cooperation put forward at the Bremen meeting of Europe's leaders.

On the face of it, a plan for linked West European currencies and a big joint fund to stabilize their exchange rates would seem to benefit West Germany most. It would mean all-European cooperation to resist upward pressure on the Deutsche mark, and the consequent demand for devaluation does to France what export competitiveness. France would not seem to gain as much, since any tie to the powerful Deutsche mark puts pressure on French export prices as well, and also demands deflationary domestic policies. Yet Giscard d'Estaing seems even more deeply committed to the plan than Chancellor Schmidt.

France today wants a solid and stable currency. This is a matter of prestige and also of economic principle. The French in the past have consistently sought a strong currency. And in fact the franc today is quite strong. Its earlier weakness is better explained as a result of the political worries of investors and money-managers before the March elections than by any objective economic factors.

Authority

Currency strength has become an element in perceived international strength; thus it bestows political as well as economic authority. This French government is willing to pay a considerable price to get a strong franc, tied solidly to the Deutsche mark and other European currencies, able to defend against the dollar's vagaries, and even to rival the dollar.

Behind the monetary plan, just as behind Barre's reforms, there lies a commitment to extremely orthodox economics. The explanation for this prudence is the apprehension now widely felt in Western Europe that difficult times are coming, and that the world is moving towards protectionism (real of disguised) and an even more savagely competitive pursuit of national interest and advantage. The question for the French today is whether the radical internal measures of Prime Minister Barre are the right preparation for the expected test.

Antwerp.

WAYNE W. FISHER

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Obituaries

Benson Ford, Car Family Scion

CHEBOYGAN, Mich., July 27 (UPI) — Benson Ford, 59, a grandson of auto pioneer Henry Ford and a vice president of Ford Motor Co., died early today aboard his yacht docked in the Cheboygan River.

A state police spokesman in this northern Michigan resort said Mr. Ford, the younger brother of Henry Ford III, died of an apparent heart attack. His wife, Edith, was with him at the time.

Mr. Ford, the second son of the late Edsel Ford, was born in Detroit on July 20, 1919, was chairman of the firm's dealer policy board and, since April 28, 1941, was a member of the company's board of directors.

Mr. Ford also was a member of the company's executive, policy and strategy, finance, product planning and design committees and a principal stockholder in the firm founded by Henry Ford in 1903.

In addition to his company responsibilities, Mr. Ford was a member of the board of trustees of the Edison Institute and chairman of the board of trustees and chief executive officer of Henry Ford Hospital in Detroit.



Benson Ford

George Katsimbalis

ATHENS, July 27 (UPI) — Poet George Katsimbalis, 79, translator of the works of modern Greek po-

ets and the man who tricked the roosters into crowing at night, died Tuesday of heart failure.

Born in Athens, Mr. Katsimbalis studied law in Paris but dedicated himself to poetry and translated

most modern Greek poets, including Costas Palamas, George Seferis and Angelos Sikelianos into English.

He was also the companion of many foreign authors and artists who lived in or visited Greece, especially Laurence Durrell.

In a letter to novelist Henry Miller, Mr. Durrell described how Katsimbalis once climbed to the Acropolis and by imitating a rooster's crow, made the cocks of Athens answer him long before dawn.

Mr. Miller later wrote "The Colossus of Maroussi" about Mr. Katsimbalis.

Willem Van Otterloo

MELBOURNE, July 27 (UPI) — Dutch conductor Willem Van Otterloo, 70, was killed in an auto crash here today.

A police spokesman said Mr. Van Otterloo was a passenger in a small sedan which collided with a cattle truck. He said the conductor's wife, Carola, 33, was admitted to the hospital where her condition was listed as satisfactory.

Mr. Van Otterloo was permanent conductor of the Hague Philharmonic Orchestra from 1949 to 1972, when he resigned to become the chief conductor of the Sydney Symphony Orchestra, a post he held until recently completing his contract.

Rev. Charles Curran

EAST DUBUQUE, Ill., July 27 (UPI) — The Rev. Charles Curran, 64, formerly a professor of human relations and psychology at Loyola University in Chicago, died Tuesday following a brief illness.

Father Curran, the author of several books, also was internationally known for his contributions on counseling and psychotherapy. He was a representative to the Vatican II Council and was awarded the Pope Paul VI medal for distinguished contributions to the Catholic priesthood.

William H. Cowley

NEW YORK, July 27 (NYT) — William H. Cowley, 79, the David Jackson professor of higher education at Stanford University from 1945 until his retirement in 1968, died Sunday at his home in Palo Alto, Calif.

Crime Victims Compensable, Study Indicates

WASHINGTON, July 27 (UPI) — A U.S. government study estimates it would cost \$261 million a year to create a nationwide program to compensate victims of violent crime.

The Law Enforcement Assistance Administration yesterday announced the findings of the Criminal Justice Research Center in Albany, N.Y., which conducted the study under a \$12,000 grant from the administration.

"The amounts necessary to compensate crime victims are surprisingly low, so such a program is realistic," said acting administrator James Gregg. The report estimated that families of slain victims would be paid \$3,000 plus medical costs; it assumed other victims would have an average of \$50 medical costs and five days' loss of work.

The report's estimates are based largely on Census Bureau interviews with 135,000 crime victims. The center also used FBI crime figures.

"The crime victim is very often the 'forgotten person,'" Mr. Gregg said, "and although the report shows victim losses are generally minimal, often the victims are those who can least afford it."

Party Chief Elected President of Estonia

MOSCOW, July 27 (Reuters) — Johannes Kabin, 72, has been elected president of Estonia, after 28 years as general secretary of the Soviet Baltic Republic's Communist Party, Tass said. He replaced Artur Vaher, who died in May.

The new Estonian Communist Party chief, also elected yesterday, is Karl Vaino, 55, a veteran of the party's secretariat, Tass said.

Hong Kong Traffic, Population Make City Noisiest in the World

HONG KONG, July 27 (UPI) — Hong Kong has been proved to be the noisiest city in the world. And there is no escape from it for most of the 4.5 million residents of the world's most densely populated territory of more than 200 square miles, said Norman Ko, a senior researcher in the Mechanical Engineering Department of the University of Hong Kong.

On a sound meter, noise in any part of urban Hong Kong from 6 a.m. to midnight reaches an average level comparable to having a jetliner flying just a few hundred feet overhead. People are not as sensitive to the city din as they are to the shrill scream of a jet, Mr. Ko said, because the human ear better tolerates lower sound frequencies.

But the noise is there, always. And it disturbs sleep and annoys people who live in the urban areas, where population density is greater than 200,000 per square mile, and in some areas, 390,000, Mr. Ko said. "As a whole city, Hong Kong is the noisiest in the world," he said.

During the last seven years, a team led by Mr. Ko took sound-level readings at 258 sites in the urban areas. At each site, a 16-hour recording was made 3 feet from the curb. The average mean noise level in all built-up areas — residential, commercial and industrial zones — was 75 decibels. The average maximum level was 82 decibels. While this has not yet reached a dangerous stage (noise at 90 decibels for eight hours a day would impair hearing), it is higher than the noise level of seven other major cities.

According to published data, Mr. Ko said, the average noise level in New York is 66; downtown Manhattan, 75; London, 62; Düsseldorf, 63; downtown Madrid, 75; downtown Rome, 76; Tokyo, 57; downtown Tokyo, 64.



Fanny Delbrice plays Leonide and Raymond Acquaviva is Agis in "Le Triomphe de l'Amour."

Marivaux's Marionettes Come to Life

By Thomas Quinn Curtiss

PARIS, July 27 (IHT) — The latest Comedie-Francaise production is "Le Triomphe de l'Amour," which has never been a popular play of Marivaux. Much neglected since its 1732 premiere at the Theatre Italien, it has had only two previous professional revivals in Paris during this century. Xavier de Courville's adventuresome troupe staged it in 1912 and more than 40 years passed before it was tried again — by Jean Vilar at the Theatre National Populaire.

The minor works of great dramatists inevitably attract directors and actors who feel that proper performance will at last reveal the hidden glitter of long-cobwebbed jewels. This challenge appears to be irresistible. It drew Peter Brook, for example, to tackle "Titus Andronicus," commonly held to be the worst of Shakespeare's tragedies. A play so poor that doubts persist as to whether all of it is from the pen of the Bard, it was graced into sensational theatrical life by Brook's consummate direction and by casting Laurence Olivier and Vivian Leigh in its principal roles. It enjoyed immediate success at Stratford and in London and was imported to Paris for the Theatre des Nations festival as a showcase of all-conquering direction. Its absence from subsequent Shakespearean repertoires is significant.

The revived Marivaux comedy has its charms and has had its ardent admirers. The eminent critic, Jules Lemaitre, compared it to "Twelfth Night," though the only discernible similarity of the two is the fact that the heroines of both assume male attire. As Kenneth McKee, an American professor who has written a definitive study of Marivaux, points out, the exposition is as complicated as that of Crebillon neoclassic tragedy.

Rightful Heir

Agis, the son of the deposed king of Sparta, has been entrusted to the philosopher Hermocrate, who has reared him in his academy. Leonide, the niece of the throne's usurper and now reigning princess, catches sight of the youth in the garden and falls in love with him. Learning that he is the rightful heir to the crown, she determines to restore him to power.

She and her young lady-in-waiting, Corine, disguised as men, beg to enroll as students in the philosopher's academy. As they discuss their plans, they are overheard by that customary servant, Arlequin. They bribe him for his silence and he aids them in their schemes.

When Hermocrate perceives Leonide's sex, she declares that she is in love with him and not his ward, and the old misogynist, flattered, alters his beware-of-women creed. Meanwhile, posing as a young man, she must pretend to be enamored of the philosopher's spinster sister, the guardian dragon of the domain.

These intrigues — with true love leading the path through the maze to final-curtain happiness — are illuminated with wit and grace. The plot is a bit cumbersome, but its author does not lean very heavily upon it. It is no more than crazy-quilt background before which his double-dealing marionettes execute their capricious capers.

Wild Re-Editing

Certain directors of late have taken to wildly re-editing the classics, maintaining that by imposing upon them modern dress and hints of contemporary political whoop-de-do, they are bringing them closer to present-day audiences. What they are actually doing is cheating their audiences, luring them with the promise of a famous play and then raising the curtain on a lamentable parody of it. This very season the Comedie-Francaise disclosed a "Britannicus" that was indistinguishable from "Springtime for Hitler," and elsewhere a Marivaux comedy was remodeled into an imitation of a Pirandello search-for-self-identity guessing game.

An 18th-century fantasy of comedia dell'arte roots, "Le Triomphe de l'Amour" would suffer quick demise under such distortion, and Yves Gasc, who is responsible for the current staging, has mercifully refrained from enlisting Leonide and Corine as trendy members of the cocaine jet set with rock-and-roll musical accompaniment and a broad suggestion that the restoration of Agis to the throne represents the Russian Revolution.

In praise of footlight magic.

Theater in Paris

Giraudoux wrote: "Like those Japanese cutouts which are nothing but paper, I, who thought I was nothing but paper, sometimes became a chrysalis in the hands of the director." It is the function of a director to bring to theatrical flower what the playwright has written — and to blot it out with directorial fingerprints.

Gasc has visited no disturbing modern "improvements" on Marivaux, but his staging, despite the

bright interplay of Fanny Delbrice's Leonide, Raymond Acquaviva's Agis, Dominique Constant's pert Corine and Michel Aumont's grumbling Hermocrate, is uninspired. It scampers hither and yon, but it never takes off. The present playing of the fragile piece is in slow motion.

This impression is strengthened by extending the evening to include a lackluster revival of Alfred de Musset's playlet, "Un Caprice," which has a topical women's liberation message in its depiction of an ill-treated wife. In its latest production it has lost its effervescence and progresses so leisurely that it appears in need of an oxygen mask.

Fashion in Paris

An Exceptional End to an Exceptionally Good Season

By Eugenia Sheppard

PARIS, July 27 — Madame Gres ended what has been an exceptionally good Paris season with an exceptionally even collection. Her long-playing clients who never miss one of her openings smiled all the way down the two flights of stairs that lead from her salon to the Rue de la Paix.

Probably her greatest contribution for fall is a more cover-up, less formal version of that old white magic that her draped and revealing white jersey ball gowns have been creating for years. The new dress, much slimmer and with a kind of Roman toga drape, is the jewelry background of all time, perfect for gold, rubies and emeralds or with nothing at all. It has a twin version in black with just as many possibilities.

Always loath to make conspicuous headlines, Madame Gres makes no drastic changes in the shape of her clothes and they're only slightly slimmer, broader through the shoulders and shorter skirted. Her fans know her style so well that they are quick to recognize the slightest difference and to applaud. One of their favorites at the opening was the all-purpose dress with the sleeve puffed at the shoulders and falling in open pleats to the elbows. She makes it in crepe and wool and with skirts that are either full or skinny.

More Capes

Madame Gres has always liked the swing of a cape and she makes more than usual this year. Most of them are double-face wool, like the gray that goes over a classic gray suit. She also creates a black cape three times as big. With a cape collar of black broadtail, it has a real operatic swing.

Hats and gloves are a real innovation in the collection, as they are at most houses. She uses them for both day and evening, and has a real winner in a little dome with a veil that covers the entire face.

Two of her newest, most chic dresses are made of black silk cloque. The real knockout has a top that looks like a little girl dress and that stands out stiffly over a slim, slit underskirt of the same fabric.

She uses feathers in her own whimsical way. A tunic of black and gray turkey feathers, set in an almost twenty little pattern floats

Sharps and Flats

LONDON — Dizzy Gillespie opens at Ronnie Scott's on July 31 for three weeks, replacing Mary Lou Williams.

AMSTERDAM — The Joe Albany trio is at the BIM-Huis on July 28 at 9 p.m.

MONTE CARLO — Rhoda Scott will give a concert at the Sainte Devote Church on Aug. 3 at 9 p.m., and the following evening the Harry Belafonte Show will headline the Monaco Red Cross.

PRINCE RAINIER and Princess Grace are scheduled to preside over the evening's festivities.

PARIS — The David Murray Quartet is at the Campagne Premiere through July 30 with two shows, at 9 and 10 p.m., and Sugar Blue will be at the Vieille Grille for the month of August.

GOTEBORG, Sweden — The Delta Rhythm Boys, continuing their Scandinavian tour, open at the Liseberg on Aug. 1 and will headline the show through the 15th.

This week's top single record in Britain is "You're the One That I Want" by John Travolta and Olivia Newton-John, and in the United States, "Miss You" by the Rolling Stones.

—FRANK VAN BRAKLE.

Opera in Italy

Summer 'Aida' Getting As Good as the Popcorn

By William Weaver

ROME, July 27 (IHT) — Every year the Rome Opera, at the end of its season, has to face the problem of summer opera and the open-air season at the Baths of Caracalla. On the one hand, the outdoor productions are immensely popular, especially with tourists; on the other hand, by the time July comes around, the theater has long since run out of money. Caracalla sells plenty of tickets, but all the same, it does cost something; and the Rome Opera's management has to decide whether to continue it, on a shoestring, or cut it out altogether.

In the past, the decision has always been to keep the season going, even at an artistic sacrifice. Caracalla has usually meant tired old productions (and often tired old singers), flung onto the stage to keep the tourists happy, provided they are not real opera-lovers.

This year, the problem has been given a slightly different solution. The season has opened, and with, naturally, Verdi's "Aida," but the work has been given a new production and it is the only opera on the bill, alternating with a ballet evening, a full-length "Sleeping Beauty," with the Rome company.

Beer and Hot Dogs

Of course, the atmosphere at Caracalla remains what it has always been: somewhere between big-league baseball and the county fair. Hawkers sell popcorn and ice cream (welcome in the blistering Roman heat). And you can buy beer and hot dogs between the acts. The audience is polyglot, but alert, and — except for a minority of Romans — remarkably silent. Applause comes at unexpected

moments. The scenery generally wins greater ovations than the artists, and the nervous horses drawing the chariot of Radames in the triumph scene are really the stars of the show.

Actually, the new staging, by Luciano Barberi, is considerably restrained and sensitive. Scores of suppers, of course, fill the vast Caracalla stage for the grand march, but the principals are also handled deftly and meaningfully. Attilio Colonnello, the designer, has stripped away the old painted canvas clutter, allowing the naked majesty of the ruins themselves to serve as the visual frame for Verdi's drama. The few scenic elements he has created — an obelisk, some colossal statues, a few gilded reliefs — are apposite, convincing.

The acoustics in the baths are curious. The orchestra's sound is thinned (the veteran Oliviero de Fabritius, Tuesday night, conducted a sound, flowing performance), but the voices are enhanced, and do not have to be forced.

Thus, Maria Parazzini, the Aida, was particularly effective in the softer passages, including the final duet; and the tenor, Ermanno Mauro, was also appealingly human, never bawling. Bruno Bagnoli was a young, even touching Amneris and Franco Bordini, though he sometimes pushed his voice, offered a persuasive interpretation of Amonasro. The Rome Opera chorus, too, seemed to have gained confidence and sang with greater volume and brio than it displays in the opera house during the winter.

In other words, the tourist now gets a more than acceptable "Aida" with his popcorn.



Madame Gres' evening dress

over a gray and black chiffon skirt cut in handkerchief points.

Madame Gres cuts uneven hemlines on many of her party clothes. Sleeveless chiffon dresses in off-beat colors like a light chestnut brown, slate blue and plum are a great alternative to the nothing but black in some of the other collections. Like the mat jerseys they are forever types.

Courrages

After the Courrages opening the other day, the designer was shot down by some of the press for showing a too sexy collection. It hasn't bothered him a bit, and why should it? He has customers all

over the world, some of them on the international best-dressed list, who prefer his fantasies to seeing themselves duplicated at a party in something safer and saner.

"I enjoyed myself doing my collection. I realize that I'm known as a designer for active, sporty women. I didn't mean to start a sex shop, but I wanted to go in a new direction," said Courrages a few days later in his snow-white show room with a stage at one end. At an earlier period in his life, he was always in white, but now he has mellowed into a pale pink cotton T-shirt, comfortable pink work pants with lots of pockets and white boots.

Though Courrages always shows his clothes in the most melodramatic way possible, they aren't any more revealing than some of the evening clothes in other collections. His sheer black caftan, embroidered in glitter and worn over a black body stocking is a safe bet for success and so are the puckered and elasticized black velvet pants with a matching jacket. Don't think, though, that there won't be takers for the white organza sheath studded with pink chicken feathers or for the glitter-embroidered black chiffon clown pants.

"I find that my customers are much more liberated than the journalists," says Courrages, whose daytime clothes are still beautifully tailored in pastels and whose boutique next door has the youngest, gayest version of the little black velvet suit that you can imagine.

Lanvin

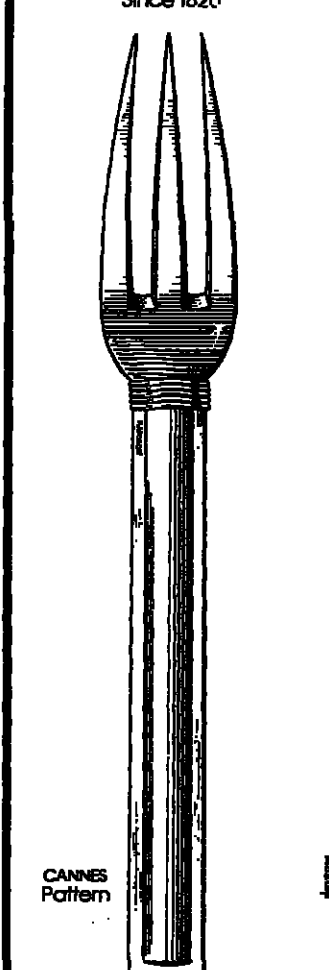
Lanvin concentrates on picturesque evening clothes. Its designer, Jules Francois Crabay, has always had a flair for theatrical color, which accounts for mint-green crepe evening pajamas with a tomato-

red sash, meant to be slung over one shoulder and tied on the opposite hip. He also likes the combination of a quiet blue taffeta coat with astrakhan edging over a bottle-green satin overblouse and skirt.

Since there is a minimum of genuine evening clothes in the fall collections, there is a place for the green crepe jump suit under a black lace cardigan and the pleted black crepe lingerie dress with a bra top of the same kind of lace. Both of them suggest Marjory Lanvin, wife of Bernard Lanvin, who is heir to the business.

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38 1/2 ACF	23.0	22.0	1.0	10.0	100	23.0	22.0	23.0	23.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
15 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0

12 Month Stock	High	Low	Div. in 5 Yrs.	P/E	100s.	High	Low	Close	Prev.
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0
12 1/2 ACF	12.0	11.0	0.5	10.0	100	12.0	11.0	12.0	12.0

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Flash...Paris Bourse

JULY 27, 1978

(in French)

COMPANY	INDUS.	1978 HIGH-LOW	CLOS. PRICE JULY 27	HIGH-LOW MON.-WED.	P/E	YIELD (%)	BANK REVENUE - 75-76-77	STOCKS (000)	LATEST COMPANY NEWS
AQUITAINE	Petrol	587 - 237	580	587 - 573	7	3.0	83.00 - 55.63 - 82.00	14,774	1977 net dividend of 17.50 payable since July 6, 1978.
BOUYGUES	Construct.	929 - 275	895	907 - 880	11	3.1	25.92 - 30.34 - 83.50c	600	1977 group consolidated turnover = 3.4 bl Fr. (up 31% vs. 1976).
BSN GERVAIS DANONE	Glass food	589 - 318	540	545 - 532	27	5.0	24.39 - 20.12c - 20.10c	2,332	77 net dividend increased from Fr. 25.50 to Fr. 27 (+7.1%).
CHARGEURS REUNIS	Shipping Air transp.	185 - 126.40	179.50	179.90 - 173	12	6.5	16.41 - 13.34 - 15.60	1,866	As of July 1 net div. of Fr. 11.70 for regular shares Fr. 22.50 to founder shares.
CHIMIQUE ROUTIERE	Public works	124 - 80.50	124.80	123 - 121.50	9	6.4	18.02 - 24.00c - 14.30c	1,672	77 net dividend of 8.00 vs. Fr. 7.40 in 1976.
CREDIT COM. DE FRANCE	Bank	133.70 - 84	136	133.70 - 122	10	5.9	15.85 - 14.08c - 13.30	5,768	Union de Banques pour l'équipement.
CREDIT INDUSTRI. & COMM.	Bank	120 - 72.50	121	118 - 105	13	5.8	10.84 - 8.74 - 9.00	4,528	1977 net dividend set at Fr. 7.00 vs. 6.50 in 1976.
CREUSOT-LOIRE	Heavy Ind.	91 - 49	76	75.40 - 74.50	—	—	9.62 - 5.56c - —	3,684	1977 consol. turnover (ex-taxes) = 10.563 MFr (+23% vs. 1976).
EURAFRANCE	Holding	305 - 124	323	305 - 287	5	3.6	35.50 - 54.30c - 69.50c	2,193	Group's 78 investments to represent about 97% of consol. turnover.
PEROD S.A.F.	Equip. Autom.	470.50 - 296	450	459 - 441.20	12	4.6	29.27 - 73.01c - 38.20	1,545	Installed 1977 net dividend set at Fr. 3.80 vs. Fr. 3.30 in 1976.
IMETAL	Mining	96.10 - 45.80	62	59.80 - 58.10	6	6.1	2.44 - 21.51c - 10.32	7,944	Net dividend of Fr. 8.40 payable since July 10th.
MOET-HENNESSY	Beverag.	523 - 268	530	510 - 495	25	1.6	5.71 - 12.71c - 20.80c	3,158	Despite 28.5MFr deficit in 77, dividend maintained at Fr. 1.50 per share.
NORD (Compagnie du)	Holding	23.90 - 15	20.55	20.70 - 20.50	—	7.3	0.29 - 1.72 - 2.15	13,284	1977 group consol. net earnings = 37 MFr vs. 153 MFr in 1976.
PECHINEY-UG-KUHLMANN	Chemmin.	95.30 - 62.10	92	89.90 - 87	16	5.4	6.30 - 6.00c - 5.60	25,491	Net div. increased from Fr. 10 in 76 to Fr. 11.50 in 77 (+15%). Payment since July 3.
PSA PEUGEOT-CITROEN	Holding	446 - 201	464	446 - 438	23	2.5	42.79 - 132.77 - 134.45c	9,550	1977 net dividend will be maintained at Fr. 4.
RAFFINAGE (Gr. Fr.)	Petrol	98 - 51.70	95	98 - 92	—	6.3	— - — - —	5,450	1977 net dividend proposal of F20 vs. Fr. 18 in 1976 (+11%).
REDOUNE	Mail order	628 - 458	589	582 - 560	12	3.2	45.57 - 47.86c - 48.00c	926	59% of total 77 sales made abroad vs. 57% in 76.
RHONE-POULENC	Chemicals	106.50 - 48.50	106.80	106.50 - 104.20	24	5.6	5.83 - 6.34 - 4.40c	18,941	Rosario shares now listed on leading Swiss exchanges.
ROBECO	Invest. Comp.	384 - 337.40	345	351 - 346.80	—	10.5	(not relevant)	25,300	1977-78 turnover (ex-taxes) = 226.11MFr vs. 191.77 MFr (+17.9%).
SKOS ROSSIGNOL	Su. manuf.	1918 - 1225	1709	1720 - 1708	24	1.3	75.76 - 87.48 - 70.00c	310	

(b) Tax credit not included. (c) Consolidated.

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July 3rd 1978

JULY 28 1978

(Continued on Page 8)

OECD Sees Setback If Bonn Pledges Fail

By Paul Lewis

PARIS, July 27 (NYT) — The Western industrial world will start slipping back into another recession next year unless all the promises of expansionary action Western leaders made at the Bonn summit meeting are promptly and fully implemented, the Organization for Economic Cooperation and Development warned today.

If the summit pledges are carried out immediately and in full, the OECD believes that by mid-1979 the average annual rate of economic growth in its 24 industrial member countries will have climbed back towards the 4.5 percent level at which unemployment ceases to rise. But any backsliding by Western governments from the pledges risks pushing the Western world into what the OECD calls a "growth recession" with the overall rate of expansion dropping away to a shade over 3 percent next year and total unemployment edging up another half million or so from its present 17 million level.

The OECD's assessments were revealed by Economic Affairs Director John Fay at a press conference here to introduce the Organization's latest economic forecasts. These show a general slowing of economic growth in all the major Western industrial countries next year after a brief upswing in the second half of 1978, if the Bonn pledges of expansionary action are not translated into full implementation. On the other hand, their full implementation would lift the West's growth path onto a higher plane.

Another economic slowdown, he said, could finally push the Western industrial economies to the other side of "a great divide" where they will find life more uncomfortable as the recession becomes built in and governments find it increasingly difficult to shelter their population from the full force of the downturn by subsidizing employment, as they do now.

Retail Index Up

0.8% in France

PARIS, July 27 (AP-DJ) — The rise in French retail prices slowed markedly in June with the monthly index showing an increase of 0.8 percent over May, compared with increases of 1 percent in May and of 1.1 percent in April.

The statistics institute reported today that the June index, basis 1970 equaling 100, stood at 198.9, compared with 197.4 in May and 195.3 in April, and was 9 percent above that of June 1977.

Over the six months ended in June the price index showed an increase of 5 percent.

The Economics Ministry stated that the index for July would show a substantial deterioration.

SEC Probing Citibank On Currency Exchanges

(Continued from Page 1)

same telex message, the suit continued, instructed the Nassau branch to sell \$4 million of francs to New York and \$2 million to a Brussels branch. According to the suit, the selling price was set at a higher 4.7375 francs to the dollar, thus creating a 60,000-franc profit for the Nassau branch.

"As a result of this transaction, created and directed from the Paris branch, there was a reduction in that branch's earnings by 60,000 French francs for purposes of reporting taxable income in France," the suit charged.

Another Example

In another example, the suit charged that the Frankfurt office wired instructions to New York on Oct. 6, 1976, that the Nassau branch sell \$1.66 million at a rate of \$1.6660. That communique, the suit alleged, was at 3:44 local time. At 8:43 local time the same day, the suit charged, Frankfurt notified New York that it was selling \$6 million back to Nassau at \$1.6525. The suit charged that the transactions created a reduction in the Frankfurt branch earnings of 200,000 Deutsche marks for the purposes of reporting taxable income.

[According to Mr. Edwards, the "padding" transactions were described in a confidential memorandum, which was attached to the court papers, soliciting suggestions on ways that Citibank's New York

office could gain "full control" over the transactions, the New York Times reported.

The memorandum, written in 1976 by Paolo Cugnacca, an officer who reported to the Citibank senior vice president in charge of the international money market division, said that the parking of foreign-exchange positions "should be kept as inconspicuous as possible" and should "under no circumstances" be identified as such.

[In response to the memorandum, F. Redi, the treasurer of Citibank's London branch, discussed "the potential risk of correspondence which would make obvious the nature of the transaction," and expose the bank to a number of pitfalls. These included, he said, "severely upsetting" local central banks, "exposing ourselves to blackmail" by an unhappy staff member, and violating foreign-exchange limits. Then Mr. Redi posed the question: "What are the alternatives to avoiding a substantial reduction of foreign-exchange earnings in the institution?"

The court papers indicate that Citibank officers held a number of meetings and exchanged a flurry of correspondence in the spring of 1977 to consider changing the location of the "padding branch." In July, 1977, in a "strictly private and confidential" memorandum entitled "Foreign Positions Off Local Books," two senior vice presidents stated that the bank was changing the branch location to New York from Nassau.]

Currency Rates

By reading across this table of the July 27, 1978's closing inter bank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

	\$	£	DM	FF	L.L.	Gld.	HK	Indones.	Yen	Dan.Kr.
London	2.225	4.248	108.10	50.39	0.2693	—	6.863	154.37	36.77	—
Frankfurt	32.41	61.875	15.765	7.3375	1.8475	—	14.185	5.915	—	—
Paris	2.087	3.9202	—	—	1.435	—	0.249	6.345	114.75	36.71
Amsterdam	1.6085	—	1.92	8.4115	1.61175	—	4.2375	61.80	3.417	10.68
Wien	44.15	1.61345	411.15	191.48	—	—	—	38.04	36.09	472.60
Stockholm	4.413	6.426	214.80	—	5.2113	—	198.48	134.25	346.42	78.88
Oslo	1.708	3.4198	87.2375	40.6475	0.2121	—	80.6746	5.53345	—	32.0134

The following are Dollar values quoted on the London foreign exchange market: Danish Krone: 5.995; Swiss Franc: 4.75; Japanese Yen: 361.00; West German Mark: 3.36; French Franc: 6.55; Italian Lira: 2036.27; Australian Dollar: 1.48; Canadian Dollar: 0.71; Hong Kong Dollar: 7.75; New Zealand Dollar: 2.05; Singapore Dollar: 0.67; Thai Baht: 20.5; Mexican Peso: 16.67; Argentine Peso: 48.75; Chilean Peso: 80.00; Colombian Peso: 200.00; Costa Rican Colon: 100.00; Cuban Peso: 24.00; Dominican Republic Peso: 20.00; Ecuadorian Dollar: 25.00; Guatemalan Quetzal: 23.36; Honduran Lempira: 23.80; Indian Rupee: 47.55; Indonesian Rupiah: 1,574.00; Israeli Sheqel: 3.48; Japanese Yen: 361.00; South Korean Won: 200.00; Luxembourg Franc: 6.55; Netherlands Guilder: 1.84; Norwegian Krone: 4.75; Philippine Peso: 48.75; Saudi Riyal: 3.75; South African Rand: 4.66; Spanish Peseta: 166.64; Swedish Krona: 4.75; Swiss Franc: 4.75; Taiwan Dollar: 20.00; Thai Baht: 20.5; Turkish Lira: 1.80; U.S. Dollar: 1.00; West German Mark: 3.36; Mexican Peso: 16.67; Argentine Peso: 48.75; Chilean Peso: 80.00; Colombian Peso: 200.00; Costa Rican Colon: 100.00; Cuban Peso: 24.00; Dominican Republic Peso: 20.00; Ecuadorian Dollar: 25.00; Guatemalan Quetzal: 23.36; Honduran Lempira: 23.80; Indian Rupee: 47.55; Indonesian Rupiah: 1,574.00; Israeli Sheqel: 3.48; Japanese Yen: 361.00; South Korean Won: 200.00; Luxembourg Franc: 6.55; Netherlands Guilder: 1.84; Norwegian Krone: 4.75; Philippine Peso: 48.75; Saudi Riyal: 3.75; South African Rand: 4.66; Spanish Peseta: 166.64; Swedish Krona: 4.75; Swiss Franc: 4.75; Taiwan Dollar: 20.00; Thai Baht: 20.5; Turkish Lira: 1.80; U.S. Dollar: 1.00.

FINANCIAL NEWS AND NOTES

Gulf Oil to Pay U.S. \$42.2 Million

Gulf Oil has entered a compromise agreement with the U.S. government to pay \$42.2 million to the Treasury in settlement of Department of Energy allegations that Gulf overstated costs for crude oil acquired by its foreign affiliates. The agreement settles a case in which federal energy officials in April 1977 issued Gulf "a notice of proposed disallowance" of \$79.6 million in costs. At that time the Federal Energy Administration charged that Gulf had overstated costs for crude acquired from affiliates in Venezuela, Ecuador, Colombia, Nigeria and Angola between August 1973 and May 1975. The White House, announcing the deal, called the agreement "unprecedented" saying this is the largest payment to be made by an oil company since the oil price enforcement program began in 1973. The company says the payment "will not adversely affect 1978 earnings since adequate provision was made in prior years."

Commonwealth Oil Gets Bid

Arabian Seacell, a company representing a group of private investors headed by Roger Tamraz, has formally proposed to acquire an interest in Commonwealth Oil Refining, which is now in Chapter XI of the federal Bankruptcy Act. Arabian Seacell would acquire all Commonwealth's business and assets, assume its outstanding convertible subordinated debentures and substitute on a share-for-share basis its common and preferred for Commonwealth's. Arabian Seacell would at the time of the merger invest \$50 million in cash in the new enterprise in exchange for \$50 million principal

amount of convertible notes. Arabian Seacell would secure crude oil supplies for the business and provide management assistance in operating Commonwealth's Puerto Rico facilities.

Banks Agree on Cross Shareholdings

Credit Suisse White Weld and First Boston have successfully concluded their negotiations (HTT July 18) to exchange cross shareholdings in each other. First Boston will hold 31 percent of the London-based CSWW whose name will now become Credit Suisse, First Boston Ltd. and the former CSWW will hold 1.1 million new shares of First Boston Inc., representing about 25 percent of the U.S. firm's enlarged equity. The value of each transaction is valued at about \$30 million. Their accord provides for the acquisition of additional shares in the other with a view to maintaining an equal interest. The accord also calls for the "unification" of their international investment banking and securities activities, which means that First Boston's European operations will be merged into those of CSFB. Three members of each group will sit on the other's board.

Oxy Withdraws Bid for Husky Oil

Occidental Petroleum has withdrawn its bid to acquire Husky Oil of Canada. On June 23, Oxy officially proposed acquiring at least 80 percent of Husky Oil through an exchange offer. However, on June 27, Alberta Gas Trunk Line announced it had increased its interest in Husky to 35 from 4 percent and said it had every intention of continuing to be a major shareholder in Husky. Subsequently, Petro-Canada, a government-owned company which had been bidding for Husky, called off its tender offer.

U.K. to Set Up Microelectronics Unit

By Robert D. Hershey Jr.

LONDON, July 27 (NYT) — In a crash program to establish a microelectronics industry in Britain, the Government has teamed up

Surplus Up In Germany

FRANKFURT, July 27 (AP-DJ)

West Germany's trade surplus climbed to 3.964 billion Deutsche marks in June from 3.04 billion DM in May, leaving it more than a billion DM above the level of June 1977, the federal statistics office announced today.

The outcome gave the nation a surplus of 18.843 billion DM on merchandise trade during the first half, up from 18.367 DM a year earlier despite a 13 percent increase in the value of the mark against the dollar since January 1977.

When the mark started its rapid climb many months ago, economists said it would only be a matter of time before West German products priced themselves out of many markets, but the June results seemed to call this theory into question. Imports have risen, as predicted, but exports have kept pace.

Imports climbed 3.5 percent in the first six months, but exports also grew at virtually the same rate. In June, exports were 9.7 percent above June 1977, while imports rose only 5.9 percent.

The preliminary surplus in the June current account was more striking than the trade surplus at 2.2 billion DM, compared to 800 million DM in May and 444 million DM in June 1977. The current account, which comprises goods, services and transfers, is normally weakest during the summer tourist season when massive amounts of marks are spent abroad.

For the first six months, the current-account surplus widened to 7.8 billion DM from 5.5 billion a year earlier.

Bonn's Plan For Boost

(Continued from Page 1)

effect of tax cuts last year was overshadowed by a boost in social security payments and a climb in the value-added tax to 12 from 11 percent.

Economists said that if the tax cuts are geared more toward business tax relief than personal areas, the result will be more favorable. Business, they say, is the sector where tax-aided spurs will have the biggest effect.

Another economist was worried that the new round of tax cuts would only lead to a new round of demand-push inflation.

The effect on growth is still unclear. Commerzbank has predicted a "good" 2-percent rise in gross national product for 1978 and a 3.5-percent boost for 1979. Asked what effect the government's package would have on the target, a spokesman said "not much."

with U.S. technical pioneers to create a new company that is expected to challenge the world leaders by the early 1980's.

The concern, called Immos Ltd., will be financed with up to \$50 million of public funds from the National Enterprise Board. Industry Secretary Eric Varley said yesterday the British Government planned to spend nearly £70 million over the next five years to assist the development and manufacture of microelectronic products.

One of the founders of the new company is Richard Petritz, 55 years old, who once directed semiconductor research for Texas Instruments and later founded Mostek Corp., two of the biggest companies in the field. Another is Paul Schroeder, 38, a top designer.

The principal market is to be the United States, with Europe the secondary target. From the government's standpoint a major goal is to provide jobs for U.K. scientists, many of whom have emigrated to the United States. Sites for the company's facilities have not yet been chosen. Its headquarters, however, will be in Britain, as will most of its production. About 4,000 people are expected to be employed here by the mid-1980's. Technological and product development will be split between Britain and the United States, where a prototype production line will be based.

Immos will concentrate on the next generation of metal oxide silicon technology, known as MOS. It appears that the main goal of the company will be to produce a computer memory called the 64K MOS RAM (random access memory). This is a tiny chip of silicon on

EEC Proposals On Crisis Cartel Are Withdrawn

BRUSSELS, July 27 (AP-DJ) — Proposals for amending EEC competition rules with the aim of making authorization of crisis cartels possible have been temporarily withdrawn, the EEC Commission said today.

The amendments proposed by Competition Commissioner Raymond Vloeberghs were primarily aimed at giving the commission the legal instruments to approve a crisis cartel by EEC synthetic-fiber manufacturers, who signed a crisis cartel agreement last month in a bid to coordinate the reduction of their surplus capacity.

Commission sources predicted that a final decision on the fiber manufacturers' request is most likely to be negative. These sources noted that Mr. Vloeberghs' attempt to win commission approval for rule changes was essentially aimed at making it possible to give formal commission approval for the crisis cartel.

At least four members — West Germany, Britain, France and Ireland — oppose the plan, fearing that if adjustments were made simply to satisfy the fiber manufacturers, other industry sectors facing surplus capacity or other problems would demand similar privileges.

NYSE Prices Rise In Active Trading

NEW YORK, July 27 (Reuters)

Prices on the New York Stock Exchange advanced today for the third straight day in active trading led by strength in glamors and blue chips.

After the close, the New York Federal Reserve Bank said the narrowly defined money supply, M-1, fell \$2.8 billion to a seasonally adjusted \$349.3 billion in the week ended July 19. The previous week's M-1 was revised downward to \$352.1 billion from the original \$352.2.

The Dow Jones industrial average rose 3.38 points to 850.57 and advanced led declines 986 to 470. Volume fell to 33.97 million shares from yesterday's 36.83 million.

Airline issues continued active. Pan American tacked on ¼ to 5/8

in heavy trading. UAL added ¼ to 3/4, TWA ¼ to 2/4, KLM 1/4 to 7/4 and Delta one to 5/4.

General Motors rose ¼ to 62¼ and Ford gained one to 45¼.

IBM rose 2½ to 276¼. Fairchild Camera 1¼ to 33¼, Du Pont 2¼ to 117, and Exxon, which yesterday raised its dividend, gained ¼ to 45¼ in active trading.

American Air Filter climbed 1½ to 21¼ before a trading halt. Westinghouse Electric added ¼ to 23¼.

Prices on the American Stock Exchange also rose in moderate trading, with the index rising 0.70 to 153.58. Volume of 3.98 million shares was off from the 4.49 million traded yesterday.

In Chicago, wheat was mixed, corn lower, oats higher and soybeans irregularly higher at the close today on the Board of Trade.

Wheat was up ¼ to 1½ off 1 cent; corn off 1/4 to 3/4; oats up ¼ to ¾ and soybeans up 1/4 to 4/4 cents.

Professional support for nearby soybeans offset effects of continued good growing conditions. Corn futures dipped under speculative selling pressure in reaction to a crop reported to be in good condition and forecasts calling for near ideal weather.

Treasury to Raise \$11.5 Billion in Cash

WASHINGTON, July 27 (Reuters) — The Treasury announced late yesterday it will raise \$11.5 billion in new cash in the quarter ended in September.

It said it will sell \$2.5 billion on Aug. 1 of three-year notes, \$3 billion in seven-year notes Aug. 2 and \$1.5 billion in 30-year bonds Aug. 3.

Treasury Undersecretary Anthony Solomon said the government has already raised \$3.4 billion in the current quarter. Since the notes and bonds being sold next week represent \$2.6 billion in new cash, he said, there will be another \$5.5 billion to raise in this quarter.

He estimated the Treasury will have to raise \$21-to-\$24 billion in the quarter ended in December.



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(Continued on Page 11)

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INTERCONNECTION

Within the frame of the Interconnexion project Tunisia-Algeria, the Societe Tunisienne de l'Electricite et du Gaz (STEG) is in the process of launching two distinct calls for International

—39 km of 225 KV lines - Metlaoui - Jebel El Onk

— Equipment of a 150 KV bay parting from Jebel El Akhmed to 150/22 KV station of Matrouh.

—Metlaoui - Jebel El Onk line: February 1, 1980.

STEG (Equipment Division),
38, Rue Kemal Ataturk - Tunis (Tunisia)

The deadline for submitting tender files is set for August 10, 1978.

690 Denison	\$77	76	76	—1%
1465 Dickson	\$74	8%	77%	+ 3%
20150 Dolac A	\$28	27%	27%	+ 1%
12450 Dom Store	\$18	17%	18	
2410 Du Pont	\$15	14%	14%	— 1%
34750 Dwyer I A	\$12	13	13%	+ 1%

508 Fed Pion	531	31	31
4100 Ford Cndo	573½	73½	73½
5400 Francana	59½	9½	9½ + ¼
125 Fraser A	537½	37½	37½
3160 G M Res	425	410	410 -15

55	GI W Life	\$100	100	100	+ 20
50	Grayhd	\$19 1/4	19 1/4	19 1/4	- 1/8
1180	Hard Crp A	315	315	315	
4025	Hawker A	58	7 1/2	8	+ 1/8
181	Hayes Co A	58 1/2	8 1/2	8 1/2	- 1/8
16779	H Bay Co	\$23 1/2	22 1/2	23	+ 1/8

800	Inv	Grp	A	\$175	12%	12%	
10800	Invacs	A		\$19%	10%	10%	
4433	Jonrock	A		\$19%	19%	19%	20
2550	Jonrock	B		\$19%	19%	19%	20
8600	Kaiser	Re		\$14%	14%	14%	18
375	Kelsov	H		\$21	21	21	

1001 Loh	Co B	430	425	425	- 5
150 Loh	M	56%	61%	64%	64%
2882 MICC		517%	71%	77%	77%
1400 Action	H A	517	16%	16%	

Motor Glass	326.00	Motor E. Wks	630.00
Canon	447.00	Mitsubi Mv Ind.	129.00
Dai Nip Print	540.00	Mitsubi Corp.	463.00
Full Bank	278.00	Mitsui Co.	324.00
Full Photo	530.00	Mitsukoshi	587.00

Kirin Brewery	472.00	Taijin	173.00
Komatsu	321.00	Tokyo Marine	482.00
Kubota	288.00	Toray	149.00
Mitsui Ind.	702.00	Toyota	870.00

of crude oil and natural gas could more than double to over 30 million metric tons from 14 million last year, a survey from the Oil

the 1990s, the number of people in the United States who are 65 years of age or older is projected to increase from 20 million to 30 million, and the number of people 75 years of age or older is projected to increase from 10 million to 15 million (U.S. Census Bureau, 1997). The number of people 85 years of age or older is projected to increase from 2 million to 4 million (U.S. Census Bureau, 1997). The number of people 90 years of age or older is projected to increase from 500,000 to 1 million (U.S. Census Bureau, 1997). The number of people 95 years of age or older is projected to increase from 100,000 to 200,000 (U.S. Census Bureau, 1997). The number of people 100 years of age or older is projected to increase from 10,000 to 20,000 (U.S. Census Bureau, 1997).

1954

[illegible][illegible]

U.S. Company Reports

		Tunken	
2nd Quar		1978	1977
	Revenue.....	287.90	268.96
	Profits.....	26.82	26.54
	Per Share.....	2.44	2.38
6 months		1978	1977
1977	Revenue.....	\$45.30	\$504.10
18.91	Profits.....	43.41	40.22
24.95			

2.51	Per Share.....	3.93	3.60
Washington Post			
1977	2nd Quarter	1976	1977
58.20	Revenue.....	135.10	113.00
15.60	Profits.....	17.20	10.80
0.55	Per Share.....	2.11	1.28
1977	6 months	1976	1977
144.30	Revenue.....	248.00	207.50
39.80	Profits.....	34.30	15.80
1.06	Per Share.....	2.97	1.83
White Consolidated Ind.			
1977	2nd Quarter	1976	1977
12.83	Revenue.....	473.50	379.10
17.74	Profits.....	16.72	14.93
2.51	Per Share.....	1.35	1.21
1977	6 months	1976	1977
99.06	Revenue.....	853.90	707.80
15.32	Profits.....	28.06	25.62

Share.....	0.50	0.72	Per Share.....	4.85
month	1976	1977		
	226.17	249.26		

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Clark Is Hitless

Rookie Pitches Cards Past Giants

SAN FRANCISCO, July 27 (UPI) — Rookie Silvio Martinez, with two one-hitters to his credit this season, ended Jack Clark's hitting streak at 26 games and stopped San Francisco on two hits yesterday in pitching the St. Louis Cardinals to a 3-1 victory over the Giants.

Clark failed to get a hit in four at-bats. The closest he came was in the first, when he backed left fielder Lou Brock to the fence with a fly ball.

In the fourth and seventh innings, Clark grounded routinely to short and in the ninth, he reached safely when Templeton dropped his pop fly for an error.

Brock singled in the eighth, scoring Ken Oberkell from second with the run that gave Martinez his fifth victory in nine decisions. Oberkell was safe when Bill Madlock misplayed his pop-up behind second, leading off the eighth. Martinez's sacrifice moved Oberkell to second.

Padres 6, Pirates 5
At San Diego, Fernando Gonzalez drove in three runs with a pair of singles and Gaylord Perry went seven innings for his 11th victory in a 6-5 victory by San Diego over Pittsburgh. In helping to defeat the Pirates their fourth straight loss, Perry, 11-4, gave up seven hits and the first three Pirate runs before yielding to Bob Shirley in the seventh.

Dodgers & Cubs 2

At Los Angeles, Steve Garvey hit a bases-loaded home run in the third inning and Dave Lopes added the fourth to power Los Angeles to an 8-2 defeat of Chicago. The run carried Burt Hooton to his fourth straight victory. Dave Roberts left in the fourth after yielding seven runs to take his fifth loss in nine decisions. Roberts loaded the bases on walks to Hooton, Reggie Smith and Ron Cey before Garvey's homer, his 13th of the season and his third career grand slam.

Astros 5, Expos 0

At Houston, Joe Niekro pitched a four-hitter and drove in two runs with a single and double, while Bob Watson and Enos Cabell hit home runs to lead Houston to a 5-0 triumph over Montreal. Watson drilled his 11th home run over the center field wall off loser Ross Cosbey, 12-8, to give Houston a 1-0 lead in the fourth. Watson's sixth-inning sacrifice fly scored Cabell, who had tripled.

Braves 4, Phillies 2

At Philadelphia, Phil Niekro continued his mastery of Philadelphia and contributed a single during a decisive two-run fourth inning in pitching Atlanta to a 4-2 victory over the National League East leaders. Niekro, who is 4-0 this season against Philadelphia and 8-2 over the past three years, raised his

record to 12-10 by spacing eight hits and blanking the Phillies over the last seven innings.

A's & White Sox 4

In the American League, at Chicago, Glenn Burke singled in a pair of runs and Dave Revering hit his 13th homer to highlight a 15-hit attack that carried Oakland to an 8-4 victory over Chicago. John Henry Johnson gave up six hits in 7½ innings before giving way to Dave Heaverlo when he developed a blister on his pitching hand. It was Johnson's eighth victory against seven losses. Elias Sosa retired the final batter in the ninth for his 12th save.

Royals 12, Mariners 3

At Kansas City, Doug Bird and Steve Mingo combined for a two-hitter and Pete Laocock drilled his fifth home run of the season to give Kansas City a 12-3 triumph over Seattle. Bird pitched six innings of no-hit ball but walked both Ruppert Jones and Leon Roberts leading off the seventh. Tom Paciorek doubled, breaking up the no-hitter and scoring both runners.

Blue Jays 5, Twins 1

At Bloomington, Minn., Balor Moore hurled a seven-hitter and Luis Gomez capped a five-run fourth with a two-run triple, enabling Toronto to snap a four-game losing streak with a 5-1 victory over Minnesota. Moore, 5-2, struck out

eight and walked two in pitching his first complete game of the season. Toronto scored all its runs in the fourth inning off loser Dave Goltz, 9-7. Bob Bailor scored the first run on a wild pitch by Goltz before John Mayberry made it 2-0 with a sacrifice fly that scored Roy Howell. Dave McKay added a run-scoring double ahead of Gomez' triple.

Rangers 2, Red Sox 0

At Arlington, Texas, Bobby Bonds hit a two-run homer in the eighth and Doc Medich pitched a two-hit shutout to help Texas break an eight-game losing streak with a 2-0 victory over slumping Boston. The loss was the seventh in the last eight games for the Red Sox, whose lead in the American League East has been cut to 5½ games. With one out in the eighth, Al Oliver singled off loser Dennis Eckersley, 11-4, before Bonds connected for his 17th homer.

Yankees 3, Indians 1

At New York, Lou Piniella's three-run homer with one out in the ninth lifted New York to a 3-1 victory over Cleveland and marked the successful home debut of new manager Bob Lemon. In winning their second straight game under Lemon and seventh in their last eight, New York wiped out a 1-0 deficit when Mickey Rivers led off the ninth with an infield single and moved to second on a sacrifice by Willie Randolph. Thurman Munson singled to send Rivers to third before Piniella touched Rick Waits, 7-11, for his third homer.

Tigers 9, Orioles 6

At Detroit, Aurelio Rodriguez triggered a five-run third inning with a two-run single that broke a 3-3 tie and sent Detroit to a 9-6 victory over Baltimore, its seventh in nine games. Loser Mike Flanagan, 13-8, loaded the bases in the third on a single and two walks before Rodriguez drove him from the game with a single to left. Pinch-hitter Tim Lincecum singled home another run off reliever Dennis Martinez and Alan Trammell brought in a fourth with a sacrifice fly.

Angels 11, Brewers 9

At Milwaukee, Joe Rudi hit his third grand slam home run in less than a month and Frank Tanana, with help from two relievers, won his 14th victory as California topped Milwaukee, 11-9. Tanana was tagged for 11 hits and six runs, including a pair of homers by Gorman Thomas, before giving way to Ron Griffin in the eighth and Dave LaRoche in the ninth.

Major League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Baltimore	57	45	.558
Milwaukee	54	48	.527
New York	54	48	.527
Baltimore	52	47	.521
Detroit	52	47	.521
Cleveland	46	51	.474
Toronto	46	51	.474
Seattle	36	65	.354
NATIONAL LEAGUE			
Team	W	L	Pct.
San Francisco	57	45	.558
Los Angeles	54	48	.527
San Diego	54	48	.527
Atlanta	52	47	.521
Philadelphia	52	47	.521
St. Louis	46	51	.474
Pittsburgh	46	51	.474
Chicago	36	65	.354

All-Time NL Record Is Goal

Rose Doubles to Extend Hitting Streak

By Al Harvin
NEW YORK, July 27 (NYT) — With Tommy Holmes' modern National League record safely behind him, Al Pete Rose had to do yesterday what he did in 1969 — extend his league mark — and that is just what he did at Shea Stadium, with a fifth-inning double that was one of the two Cincinnati highlights in the Reds' 12-3 loss to the New York Mets.

Rose got the hit that extended his hitting streak to 39 games on a 2-2 pitch from Nino Espinosa. The ball bounced past Joel Youngblood in right-center field and caromed

off the 396-foot sign. The hit brought a cheer from the crowd of 25,889 and a congratulatory note on the scoreboard from the Mets' manager.

The only other bright spot in the game for the Reds was Johnny Bench's two-run home run, into the Mets' bull pen in the fourth inning. It was Bench's 13th homer of the season and the 300th of his 11-year career. He became only the second catcher among the 41 players who have hit more than 300 home runs in the major leagues. The other is Yogi Berra, who had 358.

Cobb's Mark Is Next

The only modern streaks standing between Rose and Joe DiMaggio's 56-game major league record is the 40-game string of Ty Cobb of Detroit in 1911 and the 41-game streak of the old St. Louis Browns' George Sisler in 1922.

Wee Willie Keeler hit in 44 straight games in 1897, before the so-called modern era, for the Baltimore Orioles, then in the National League, and that is the mark at which Rose is pointing at now.

"I'm not really concerned that much about passing Ty Cobb," said Rose, who will get his chance at that mark tomorrow night against Philadelphia in Cincinnati. "The guy I want to pass is Wee Willie Keeler. He's got the National League record and even though people say it was before 1900, I'd

like for people to say that I have the record before and after 1900."

Rose figures he will be facing one of his toughest challenges tomorrow, when he will face Steve Carlton, the Philadelphia left-hander, who has been a tough foe for Rose all season. "I haven't gotten a hit off Carlton all year," said Rose, who has been hitless in 11 times at bat against the Philadelphia pitcher.

"I don't know what it is because I hit him real good last year."

Youngblood Leads Mets
Youngblood, a former Red, was the Mets' hero yesterday, knocking in five runs on a bases-loaded triple and a two-run home run. He became the first Met to knock in five runs in a game this year.

Espinosa, who is now 9-8, got Rose to ground out to third base in the first inning and walked him on four straight pitches in the fifth. When Rose came up in the fifth, he tried to bunt Espinosa's first pitch down the third-base line, but the ball went foul. The second and third pitches were balls, and Rose, bailing left-handed, fouled off the next two pitches before pulling the 2-2 pitch against the right-handed Espinosa into right-center field. Manager Sparky Anderson took Rose out in the seventh inning.

Mike LaCoss, a rookie, was the losing pitcher.

Wednesday's Line Scores

Team	Score	Team	Score
San Francisco	5-0	Los Angeles	8-2
San Diego	6-5	Pittsburgh	5-0
Atlanta	4-2	Philadelphia	2-4
St. Louis	10-0	Chicago	3-1
Pittsburgh	12-3	Seattle	1-3
San Francisco	11-9	Los Angeles	11-9
San Diego	11-4	Philadelphia	11-9
Atlanta	12-3	St. Louis	12-3
Pittsburgh	12-3	Seattle	1-3
San Francisco	11-9	Los Angeles	11-9
San Diego	11-4	Philadelphia	11-9
Atlanta	12-3	St. Louis	12-3
Pittsburgh	12-3	Seattle	1-3

NBA Gives Nets More Time to Untangle Funds

RUTHERFORD, N.J., July 27 (AP) — An agreement in principle to sell the New Jersey Nets has given the beleaguered National Basketball Association team an extended deadline to resolve its financial problems.

NBA commissioner Lawrence O'Brien extended the deadline that was to expire tomorrow until the week of Aug. 7, saying he has been advised that the sale of the team is imminent and that he should allow more time for negotiation. The team's debts have been estimated as high as \$19 million.

Roy Boe, owner of the Nets, has been negotiating with former Madison Square Garden president Allan Cohen, who is representing Joseph Taub of Tenafly, N.J. "I have been advised that an agreement in principle concerning the sale of the Nets has been reached by Roy Boe and a group headed by Joseph Taub and represented by Allan Cohen," O'Brien said.

"Since all parties to the negotiations have expressed optimism that the transaction will be consummated, and are continuing their final negotiations on an intensive basis, I have postponed the meeting in order that the entire picture can be placed before the NBA Board of Governors at one time."

Daniels, Ex-Pitcher, Is Sentenced to Jail

LOS ANGELES, July 27 (AP) — Former major league pitcher Benjie Daniels Jr. was sentenced yesterday to up to 10 years in prison for misappropriating \$107,000 while coordinating a federal employment training program.

Daniels, 40, directed the program at Martin Luther King Jr. Hospital. In the late 1950s and 1960s, he pitched for the American League Washington Senators and the National League Pittsburgh Pirates. Daniels pleaded no contest to the charge in January.



Phillies' Bud Harrelson lands on Braves' Barry Bonnell as Bonnell unsuccessfully attempts to beat force at second.

Shifted to Pass Offense

Simpson 'Just Another Player' for 49ers

By Bob Oates

SAN JOSE, Calif., July 27 — The number is the same, 32, but the colors are red and white and the paychecks — almost \$50,000 a week — will be coming out of San Francisco instead of Buffalo. Almost everything, in fact, is different this year for O.J. Simpson.

As a 49er, he is in a new conference, one that will book him against the Rams twice a year.

At the age of 31, after a Buffalo career in which he once gained 2,003 yards in one season, he has joined an organization that plans to throw him the ball more.

And although he had to put up with a 1977 automobile last year, Simpson is in a new 1978 at last, one of Hertz's finest.

Indeed he has had two red Continental sedans in less than a week. The car he drove up from Los Angeles was so low on gas he had to trade it in.

Major League Leaders

Team	W	L	Pct.
Baltimore	57	45	.558
Milwaukee	54	48	.527
New York	54	48	.527
Baltimore	52	47	.521
Detroit	52	47	.521
Cleveland	46	51	.474
Toronto	46	51	.474
Seattle	36	65	.354

The biggest surprise, Simpson confesses, was in the 49er playbook. He was shocked to read that a San Francisco halfback is just another player.

"This is the first team I've played on that has a 'passing' strategy," he says, noting that the Buffalo Bills, the USC Trojans and even his junior college coaches knew a good thing when they saw one.

He hopes the 49ers do, too, but for the moment he is submitting enthusiastically as usual to higher authority. The superstar is not one to rock the boat.

"This is OK for now," he says. "We'll see how it goes."

What the 49ers have in mind for their new halfback, who had become the National Football League's second-leading ground gainer of all time before he was traded to San Francisco in the offseason, is nothing less than revolutionary when you consider who he is. They intend to transfer him to the pass offense.

25 Times a Game

He will, of course, still be carrying the ball more often than he catches it because, in the nature of things, you can't throw to anyone too often in pro football. But hear O.J. on this: "I'm not going to pass."

In earlier years Simpson often caught one or two and ran it 25 or 30 times.

But McCulley, who came in this year from George Allen's 1977 Washington staff, was an architect of the 1973-75 Baltimore offense, in which halfback Lyndell Mitchell became Bert Jones' basic target, twice leading the league in receiving.

And in McCulley's plotting, Simpson is in Mitchell's shoes, which was what stunned Simpson

when he learned it in the 49er playbook.

"I like one thing about this," the all-time All-Pro halfback says. "I don't want to catch more passes. In Buffalo I always felt they didn't throw to me enough."

McCulley: "It will help our whole pass attack to have O.J. out there on the same side with [split end] Gene Washington. It will give them [the defenses] a lot to think about."

No Blocking

Simpson: "I know Mitchell made it easier for Bert Jones. I hope this will make things easier for Jim Plunkett."

McCulley: "We won't expect Simpson to block, of course. We have a saying around here that the blockers block, the runners run, and the catchers catch. We'll have O.J. do two of the three and let the other folks block."

The central assumption about Simpson on his new team, which is training this month at San Jose State, is that at 31, he is the player he was at 28. And to be truthful he looks it. The Olympian speed is still there, the years have put few marks on his familiar face and he is already at what he considers his best battle weight, 208.

Moreover, he's still the magnet for more attention than any other football players gets. Once voted the most popular American male, Simpson has found again in San Jose that his fans — Hundreds of whom seem to be vacationing here this week — come in all sizes, shapes, ages, and colors. And as they did in Buffalo, they dog him everywhere from his dormitory room (where as one of the officially "senior" 49ers he is entitled to, and does, live alone) to the shower room.

Rare Excitement

Says Joe Thomas, the 49er general manager who in his 23-year pro football career has built champions at Baltimore, Miami and Minnesota: "O.J. is the most exciting thing that ever happened to any football club I've been around."

Among athletes, only Muhammad Ali is comparably feted. And, in fact, coach McCulley thinks first of Ali when asked if Simpson might be over the hill physically starting his 10th year in pro football.

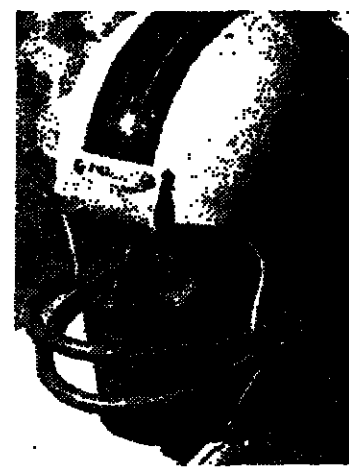
"When people say NFL running backs are only good for five years, says McCulley, "they mean the ordinary All-Americans. But O.J. is unique. He's never taken any punishment. That's because, like Ali, he's very hard to hit."

Simpson, possibly more realistic, says: "All the running backs I came up with 10 years ago, Larry Brown and the others, are gone. Add to that an injury and it's hard for me to judge how much I have left. Mother and father are warning me. I mean mother nature and father time. But truthfully, this week I feel like a rookie."

The knee injury required an operation last winter for cartilage removal. He appears to have come all the way back, defying those who say a knee operation invariably impedes a runner, at least slightly.

McCulley: "O.J. is the exception to all the rules."

He is even the exception to the one that says ballplayers earning



O.J. Simpson

\$100,000 a year are jealous of those who get \$730,000, Simpson's last year.

McCulley: "You don't know athletes if you think they complain about what others make. They complain about what they make."

Simpson: "When a team loses, you can point to any reason for it [as Buffalo's writers last year pointed to Simpson's paycheck]. If we lose here, it will be said again. And again it won't be true. What you have to understand is that most good football players sincerely believe they're underpaid. I'm one of the few in football happy with his salary. For the first time last year I was finally paid what I was worth."

The most important things Simpson brought from Buffalo might be his cheerfulness and optimism. In the year when the Bills were winning, it was often suggested he would like to win with the force of his personality. As a 49er he is already saying this:

"The Rams are the team to beat, but I think we should be favored. We look like a playoff team to me."

Los Angeles Times

Veterinarian In N.Y. Faces 6 Track Charges

MINNEAPOLIS, L.I., July 27 (NYT) — A Nassau County Court judge yesterday dismissed five of 11 counts of an indictment against Dr. Mark Gerard, a veterinarian charged with switching the race horses Cincinzo and Lebon in a betting coup.

Judge Raymond Harrington dismissed four misdemeanor counts and a felony count involving alleged tampering with a sports contest, tampering with a witness and bribery of a witness.

However, Judge Harrington sustained three felony counts involving grand larceny, falsifying business records, presenting a false insurance claim and making fraudulent entries and practices.

Dr. Gerard's lawyer had sought to quash the entire indictment, returned last Dec. 5 by a Nassau County grand jury, on the grounds that there was insufficient evidence, duplication of charges in some cases and the improper presence of persons in the grand jury room.

CLASSIFIED ADVERTISEMENTS

(Continued from Back Page)

<p>REAL ESTATE FOR SALE</p> <p>U.S.A.</p> <p>5TH AVE. & 60 ST. N.Y.C.</p> <p>HOTEL PIERRE CO-OP</p> <p>Push apartment on high floor, 2 bedrooms, 2 bathrooms, fully equipped kitchen, large living room, hardwood floors, central heating, \$325,000. Box 12851, Herald Tribune, Paris.</p> <p>CASLE ESTATE IN U.S.A.</p> <p>Casle built in 1832, is the cornerstone of an extraordinary estate in New York State. The Casle has been completely modernized. Other structures on 100 acres (100 miles) include several buildings, a large greenhouse, a stable, a pool, a tennis court, a golf course, a lake, a pond, a stream, a river, a forest, a park, a garden, a library, a museum, a gallery, a theater, a concert hall, a restaurant, a hotel, a school, a university, a hospital, a church, a synagogue, a mosque, a temple, a shrine, a place of worship, a place of learning, a place of business, a place of recreation, a place of interest, a place of beauty, a place of peace, a place of love, a place of life, a place of death, a place of resurrection, a place of hope, a place of faith, a place of trust, a place of courage, a place of strength, a place of wisdom, a place of knowledge, a place of understanding, a place of compassion, a place of kindness, a place of generosity, a place of hospitality, a place of service, a place of love, a place of life, a place of death, a place of resurrection, a place of hope, a place of faith, a place of trust, a 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